Daily Report

Latin America

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FBIS-LAT-90-053 *19 March 1990*

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Cuba

Castro Says 'Yankees' Lack Resources To Attack

FL1703144890 Havana Tele Rebelde Network in Spanish 1400 GMT 17 Mar 90

[Text] The Yankees do not have enough resources to wipe out the Cuban people. This was said by our Commander in Chief Fidel Castro in Brasilia. He assured that it is the unpayable price of an attack on Cuba that is stopping them.

During a news conference held in a hall of the Brazilian Congress attended by over 600 people from the media and the public, Fidel noted that we do not favor a holocaust but we cannot set aside our most sacred values. We know that we are going to win. He said this before asking if the Cuban revolution could face the most powerful empire with the support of the people.

The Cuban president said his visit to Brazil is being carried out to contribute to the close ties existing among Latin American countries and establish closer ties between Cuba and Brazil. Fidel said Brazil faces an enormous challenge and added that new Brazilian President Fernando Collor de Mellor has the will to confront it. He added that the outlook for improving bilateral relations is good.

Aldana Terms TV Marti 'Illegal', 'Immoral'

PA1803164590 Madrid EFE in Spanish 0548 GMT 18 Mar 90

[Text] Havana, 17 Mar (EFE)—Carlos Aldana, secretary of the Central Committee of the Communist Party of Cuba [PCC], stated today that Cuba will exercise calm and a great sense of responsibility in its legitimate defense in the face of the TV Marti project, which he described as illegal and immoral.

In an interview aired on Cuban television, Aldana said the country is prepared to respond gradually to an aggression we find inadmissible.

We have thought about this, he said. We have had time to think about it. Of course, we are not going to resort to our most important resources. Depending on the circumstances, we will use the media we have designed and which are available for this.

The Cuban politician believes that the startup date for the operation of the television station financed by the U.S. Government is imminent. In fact, it may even be tomorrow.

He noted that we have no interest in this conflict, do not want it, and did not provoke it, but we will not allow the United States to act with impunity.

He regards the project as a fusion of interests of the U.S. Government and the Cuban-American foundation, because in his opinion it fits in with their political and economic interests from an internal standpoint. This anti-Cuban brainchild, concocted by nonpatriots, really has no intention of changing the social system in Cuba, he said, adding that this requires courage, which they lack.

In the opinion of the official responsible for the PCC's Revolutionary Orientation Department, they are seeking to make room for themselves in U.S. policy because this matter is a way of life, a business, for them.

He described the TV Marti project as provincial, hardly serious, and unreal, in keeping with the U.S. Government's belligerence toward Cuba.

We offer alternatives, he noted. We are not seeking to get the United States to stop the project. It is not in those terms. It is rather with the intent of totally denying the platform they have sought to portray as legal.

He said that Cuba is disposed, within the framework of other possible exchanges and considering the civilized rules of international law, to exchange television programs under terms of reciprocity and mutual respect.

He said, however, that this is not in exchange for the television project. They have to renounce this project because it is illegal and immoral, he stated, and in this sense we offer room to speak in a civilized manner. That is the question, he added.

Commentary Notes Groups Attempting 'Tantrums'

FL1703194290 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Mar 90

[Station commentary: "The Streets are for Revolutionaries"]

[Text] Our people, those who are internationalists, Leninists, Marti, and Fidel followers, will not allow another Sanjon. Encouraged by the changes in Eastern Europe and intoxicated by the swarming worms in Miami that are forecasting what they call the imminent fall of the Cuban revolution, small groups of local worms are attempting to join in the triumphalistic airs of the empire in an attempt to raise themselves above their craw.. Disguised by alleged humanitarian organizations, hiding and only showing their hairy ears, or crouching in the shadow of hypocrisy, some of those elements underestimate the power of the people and believe that they can have some luxuries.

Cuban revolutionaries, the unquestionable majority in this country of Marti and Maceo, conquered in our own right the action and diffusion. The streets are and will be for the revolutionaries. The streets are for those who, during these years, have built with dedication and tenacity our work, for the ones who decide our socialist destiny, and for those who love this sovereign land that rises in the middle of the Caribbean as an example of firmness.

Those little groups, closely linked to the U.S. Interests Section, encouraged by those airs of triumph, have

attempted to stage certain tantrums with some little signs. However, one cannot play with the people. They are being alerted by the people. The revolutionary people will know how to settle the account with those who attempt to sell the fatherland we have built with blood, sweat, and heroism.

Discussions, chats, and dialogue in Cuba will always be conducted among revolutionaries. Concessions will never be made to worms. The demolishing fist of the people, and if were necessary, the lead and shell of those who dignify with arms in hand this green socialist alligator, will always be ready for them. The streets are and will be for the revolutionaries.

Reportage on Castro Visit to Brazil

Castro Interviewed on Socialism

FL1603190290 Havana Television Network in Spanish 0330 GMT 16 Mar 90

["Excerpts" of an "exclusive" interview with President Fidel Castro by two unidentified reporters of the Brazilian Manchete television network at the residence of the Cuban ambassador in Brasilia; date not given; reporters speak in Portuguese with partially inaudible simultaneous Spanish translation and Castro replies in Spanish—recorded]

[Text] [Reporter] The Manchete network is very honored to receive Commander in Chief Fidel Castro for an exclusive interview at the residence of the Cuban ambassador in Brasilia.

This is the second time Commander in Chief Fidel comes to Brazil. You were here in 1959 when you were 32 and one-half years old. Commander Fidel Castro, good morning. You are going to grant us an interview.

Here is the first question, Commander. Some Soviet reporters have criticized the Cuban state. My question is, are you disappointed with what is happening in the Soviet Union?

[Castro] The question is not easy to answer. I agree with the need to improve things in socialism. I am aware of historic mistakes that have been made. Sometimes I have wondered whether or not they could have been avoided but I do know that different kinds of mistakes have been made. Who can disagree with the idea that those mistakes should be amended?

We made our own mistakes. They were not the same ones but very different. They are in a different historic framework, with a different idiosyncracy. Let's say that our mistakes were tropical mistakes. When we became aware of those mistakes we said we needed to overcome them.

Thus, in this sense we cannot disagree with any effort made to improve socialism. This is not an easy task. It has become a political and historic matter. I cannot feel happy with all the developments that have taken place as a result of the efforts made to improve socialism. I have no doubts about Gorbachev's intentions, of his sincere wishes of improving socialism in the Soviet Union.

I am not sure that Gorbachev imagined how the events would develop in other socialist countries. I cannot be satisfied with the way events have developed in the rest of the socialist countries. Of course, the situation is not the same in each one of them but there is a common element present. They are heading toward an inefficient capitalism instead of toward an improved socialism. It has to be said that intense work is being done in Poland—not only by the leadership of the country, the government of the country, but by the Western allies with their cooperation and experience. They are working intensely to turn Poland into a capitalist country.

[Reporter] You do not agree with that?

[Castro] I cannot agree with that. The most I can say is that I respect what they may do. When Gorbachev visited our country recently—last April we both spoke at the National Assembly—I mentioned the right of any socialist country to build capitalism if it wanted to do so and that needed to be respected. Also, the right of any capitalist country to build socialism should be respected.

[Reporter, interrupting] [Passage indistinct].

[Castro, interrupting] Excuse me a second, that same situation is repeated in the CSSR. It is repeated in Hungary and Bulgaria. The situation in Romania is more difficult to define. It is difficult to say which way they are headed, to what point they are going to privatize state enterprises, and how far they are going to encourage a capitalist path. This is yet to be determined.

The situation in the GDR is different because what is being discussed there is not socialism or capitalism but the unification of the two countries. They [not further identified] have also implemented a very opportunistic international policy and even joined the United States against Cuba in Geneva as if they were desperate to do a favor to Yankee imperialism to obtain aid, credits, (?understanding), etc.; they have committed a very great act of disloyalty. At a time when the United States threatens our country with all kinds of attacks, they have joined capitalism in this policy which cannot make any Cuban or revolutionary happy.

[Reporter] Now, Commander, [words indistinct] Western countries [words indistinct]?

[Castro] Regarding Cuba's situation, we were not allies of socialist countries alone. We had close relations with all Third World countries and have actively worked with the Nonaligned Movement. Cuba even presided over the Nonaligned Movement for three years, over three years because the other meeting was delayed. We established very close relations with all those Third World countries. So, one of our fundamental banners was related to the national liberation movement of former colonies, the

struggle of Third World countries on matters vital to their development and future. We were also allies of socialist countries. The work, effort, and cooperation developed by Cuba with those Third World countries is enormous.

A good example of this is that we have doctors in 38 Third World countries, around 1,000 doctors. This is an example. We have 25,000 scholarship holders. We are the country that has the most scholarship holders per capita in the world. Most of them are from the Third World. That is, we have close ties.

We have economic relations with almost all capitalist countries. Almost all of them, except the United States. Cuba was recently elected a member of the UN Security Council with the support of 145 countries that voted secretly. The advantage of elections in the Security Council is that there is a secret vote and the people are not afraid of offending the United States and they vote with greater freedom. We just received the support of 145 countries at the Security Council. How can it be said that Cuba is an isolated country?

[Reporter] The Soviet Union has just modified its Constitution and five years from now the Soviet president will be elected by direct vote. Would you allow in Cuba such modification to the Cuban Constitution?

[Castro] You are asking my view about the USSR?

[Reporter] [Passage indistinct].

[Castro] [Passage indistinct]. I believe that considering the current problems the Soviet Union has and the dangers threatening its own integrity, the decision of electing a presidential government appears to be positive. That decision is positive. I believe the election of Comrade Gorbachev is positive. I consider it is an element that could contribute to the preservation of unity and integration in the Soviet Union. This is something that worries the entire world, not only Cuba, but the entire world. The world is terrorized by the idea of a unipolar world led by the United States. Latin Americans more than anyone else are terrorized by this.

We have discussed the form of election. There are many forms of election in the world. You can choose the one you deem more appropriate. Different countries do not elect the government directly. In Spain, Italy, England—we could mention many countries—Japan. They elect parliament members and the ones who have the majority have the government. They are elected and reelected indefinitely. They then have a president who carries out certain constitutional functions.

Other countries have kings. England has a queen. Spain has a king. I believe Belgium, The Netherlands, Sweden have kings that nobody elects. It is a matter of inheritance, of royal blood. This is something that is almost as old as Rome, or it is older than Rome. We prefer that the presidential responsibility be shared by a team. Under these conditions we prefer that. Under the conditions in the USSR, I believe that at this time it was necessary and convenient.

We have implemented a system in which residents gather and nominate the delegates of their district. Those district delegates—numbering over 10,000—elect all the powers of the state; at the municipal, provincial, and national level.

[Reporter] The Sandinists attempted to implement communism. [Passage indistinct]. Could this also happen in Cuba?

[Castro] [chuckles] The Sandinists never intended to build communism. They didn't even intend to build socialism. They implemented a mixed economy and multiple party system. To the contrary, that cannot be said about the Sandinists. Some of them said they were Marxists but they never proposed to build communism as a program. Nobody has built communism. This is considered a distant possibility. This was a dream of the founders of scientific socialism. Of course, you will find the most just society according to the way it is implemented. The one that gives to each according to his needs and makes demands according to his abilities. It is the most humane of all the concepts. However, this is seen as a distant thing. One speaks of socialism before communism.

The Sandinists did not build socialism in Nicaragua. I am not criticizing them for this. I believe that what they proposed to do was (?valuable); great economic reforms, great changes, the agrarian reform, urban reforms, social justice measures. They were not able to do much because they were forced to endure a dirty war for 10 years. This prevented them from carrying out their task.

We have had a dirty war but we have also had many years to work and we have achieved a work, a work that cannot be compared with any other Third World country or with any developed capitalist country.

Currently we have services in our country that no developed capitalist country has. We have child-care centers, an education system, special education schools for children with problems. No developed capitalist country has them for all children as we do. The family doctor and health services our people have are not found in developed countries.

We have accomplishments through socialism. I do not want to cite figures here so I will not bore you. Perhaps I will have to use them at another time. Compare for example the infant mortality rate in Latin America with the one Cuba has. It is over 60 in Latin America and in Cuba is 11.1. Compare life expectancy figures. Compare the number of children who go to school. Compare the number of children who need special education schools because they have different kinds of problems. What does Latin America have to satisfy needs the way Cuba has? I do not want to talk but I feel I have the duty of defending ourselves, of defending what we have done. If you analyze all those indexes, there is no comparison.

Discusses Regional Situation

FL1603211090 Havana Tele Rebelde Network in Spanish 1329 GMT 16 Mar 90

[Interview with President Fidel Castro by unidentified foreign reporters in Brasilia on 15 March—recorded]

[Text] [Reporter] [Passage indistinct].

[Castro] Very good, we have had several. Every time there is a change of government like this, we always meet so we have made contacts in a climate of confidence; in a relationship of esteem, of friendship.

[Reporter] And the subjects of today's interview?

[Castro] What?

[Reporter] What do you think of the topics of today's interview? Are they too general?

[Castro] [Words indistinct] a little of everything.

[Reporter] What do you think about the business with M-19 [19 April Movement], President Castro?

[Castro] [Words indistinct] find a solution. I have always believed that you can find the road toward peace. Above all, I expressed to the president my high regard for the great battle he has waged against this drug-trafficking problem, the courage with which he has acted, and also the successes that have been obtained.

[Reporter] Doesn it not bother you, mortify you when they ask you, when they insinuate that there should be an opening in Cuba as in the USSR? Does it bother you?

[Castro] No, no, on the contrary, I find it amusing when they ask me that type of question. I always explain however much they want, to those who want explanations about this, how we have done things in Cuba, how the circumstances are different between one country and another, their history, problems, and even mistakes. Each one has made its mistakes, and they do not have to correct the mistakes of others but their own mistakes.

[Reporter] Are you in a position to apply an experience similar to the Chilean one?

[Castro] Which one? And why would we do that if we do not have the problems of Chile? In Chile they had a regime that sold out the country and a regime that, at the cost of thousands of lives, implemented a brutal economic policy. I have spent 30 years working for the people, [words indistinct].

[Reportert] [Words indistinct] are being left isolated?

[Castro] We do not feel we are alone, but we are not afraid of being left on our own. We are the kind of men that even fight alone. I was alone, the way I was alone with two men in the Sierra Maestra after the landing of the Granma and we had nothing but two guns and three men. At a time like that, anyone could have found a million reasons to withdraw from the struggle and I did not withdraw even then. Now, there are millions of people in our country, and there are millions of people in the world who are suffering many injustices. We have to right those injustices and I think those problems can be solved.

[Reporter] You won the war in the Sierra Maestra. You are very respectful of the principle of nonintervention but would you say that guerrilla war is a phenomenon that has disappeared in Latin America. Would you agree with that?

[Castro] I do not think so. I would not be objective if I said it has disappeared. There are realities. I think that now there are many problems to be solved in our hemisphere, but greater cooperation is occurring between countries, between states, between governments, to confront common problems.

[Reporter] Like what?

[Castro] Like the debt, unequal trade terms, looting, millions of abuses committed against our countries, the helplessness of our economies, inflation problems, the causes of these problems, and the terrible consequences that are being produced by problems of a social nature in Latin American countries.

I could mention to you that 700,000 children die who could be saved. This is equivalent to dropping on children seven bombs like the one dropped at Hiroshima. Is this not a reality? Is it not our duty to fight to confront these problems, or the causes that produce these phenomena, regardless of ideologies? In some developed countries they have reduced infant mortality. They have solved some of these problems, but they have not solved our problems in the Third World, our problems in Latin America. They have not solved them for us.

And so we can meet and analyze all these problems, what the causes are. Why does capitalism prosper in Belgium, the Netherlands, and France? What are those economies based on and how do they defend themselves? Who defends the austral or the peso of other countries, the Venezuelan bolivar, or the Brazilian cruzado? Who defends them? Because in those economies the dollar defends the yen and the yen the dollar, and between the two of them, they defend the mark. The mark defends three of them: the pound sterling, the Spanish peseta, or the Italian lira.

We have a lot of problems. Why do not you yourselves, who are informers for the public, send us only insignificant details? We must get out of that framework; we must think about the strategic problems of our societies. I think that [words indistinct] one day we will concern ourselves with that and work in that direction and put an end to these social phenomena that hit our countries monstrously hard, and we will be creating solid conditions for peace. The problem is that there are causes of instability and difficulties and they must be addressed.

[Reporter] Has the subject of [words indistinct] in Cuba been canceled, Mr. President?

[Castro] Canceled in what sense?

[Reporter] Because you have waged a very great battle against the people....

[Castro, interrupting] You are the ones waging the battle. What we did was what no one else did. We adopted drastic, exemplary, and definitive measures. And we did this. We did it quickly. As soon as we become aware, as soon as we discover something, we act.

[Reporter] I have a final question. What did you say when you were with the students and they began to jump up and down and shout Yankees no! Yankees no! You said something that was sort of a question. Do you remember? [Words indistinct] Brazil?

[Castro] I said, they were playing basketball here at a school I went to inaugurate. I began to shoot the ball and I felt like I had pulled a muscle. And then they told me you cannot do that without warming up. The students had just finished a long march, and they were jumping up and down and saying that whoever does not jump up and down is a Yankee, so then we had no alternative but to jump up and down, whatever the risk, without having warmed up or anything.

[Reporter] How did the shooting go?

[Castro] With a shotgun?

[Reporter] No, in basketball.

[Castro] Good, quite good. My shooting is better than my spinal column.

Perez Calls Castro Meeting 'Positive'

FL1603134790 Havana Tele Rebelde Network in Spanish 1200 GMT 16 Mar 90

[Text] Venezuelan President Carlos Andres Perez stated today that Fidel Castro's leadership has given Cuba an even more specifically Latin American profile, and as such it should be present in the regional community. Perez granted an interview to PRENSA LATINA shortly after a private meeting with the top Cuban leader and Spanish President Felipe Gonzalez. He said that the meeting was extremely pleasant, extremely good, and positive. He added: In our talk we set forth our points of view totally openly, about both international and regional problems.

Carlos Andres Perez added: We took a kind of walk through current events, and we exchanged our points of view very frankly, and we had the opportunity to again observe the clarity and depth of Fidel's analysis. The Venezuelan president said that they spoke about the new situations in the world and the events that are affecting Eastern Europe. He said it was an hour and a half of full and cordial conversation, of which he have a very pleasant memory because it was a meeting [words indistinct].

Castro Gives News Conference

FL1603232090 Havana Radio Rebelde Network in Spanish 2303 GMT 16 Mar 90

[Report by Alberto D. Perez from Brasilia, Brazil—live]

[Excerpts] A news conference granted by Commander in Chief Fidel Castro concluded only 25 or 30 minutes ago in one of the large auditoriums of the Palace of the National Congress here in Brasilia. More than 500 people attended the conference. The auditorium was filled to capacity. Television networks from Brazil and other countries from our America and Europe were present. The commander in chief answered questions pertaining to such matters as Cuba's presence in Angola, education in our country, possible cooperation between Brazil and Cuba, his impression of the new measures adopted by the Brazilian government, and several other matters. [passage omitted]

This afternoon, the commander in chief had a personal 15-minute talk with President Collor de Mello, whom he spoke of with praise. He said that he had met Collor de Mello three times and he seemed like a very pleasant person. The commander in chief also spoke with ministers of the new cabinet, especially the education and public health ministers. The head of the Cuban revolution offered Brazil all its expertise in the areas of education and public health. [passage omitted]

More on News Conference

FL1703170790 Havana Tele Rebelde Network in Spanish 1453 GMT 17 Mar 90

[Text] Numerous subjects of international interest were discussed by Commander in Chief Fidel Castro during a news conference granted in the Brazilian capital last night. The Cuban president referred to the critical analysis he made at the time of the Warsaw Pact's military intervention in the CSSR in 1968 and Cuba's solidarity gestures when it happened, the Afghan problem, and the Los Angeles Olympics.

He said that, regardless of the mistakes made by socialism, we can never side with imperialism. The Cuban leader asserted that if a socialist country wants to build capitalism this right should be respected in the same way it should be respected if a capitalist country wants to build socialism. He added that in this latter case, there is no need to threaten, block, or attack the country.

Castro also analyzed the need of a new international economic order and the integration of Latin America which is a victim of unequal trade whether it is capitalist or socialist. Fidel praised the creative ideas and the

economic thought of Commander Ernesto Che Guvara who saw the mistake of using capitalist theories in building socialism.

Referring to the subject of Angola, the chief of the revolution said Cubans went to that country to help a legitimately constituted government repel a foreign attack. Fidel added that the withdrawal of South African troops from Angola, Namibia's independence, and the internal evolution of South Africa were achieved as a result of a firm presence there for 15 years. Over 600 people, journalists and public, gave several ovations to our commander in chief's remarks.

Discusses Colonialism

FL1703164190 Havana Radio Reloj Network in Spanish 1202 GMT 17 Mar 90

[Text] Latin America has the duty of fighting against the Yankee isolation and balkanization policy and of continuing to move the continent's nations closer. This was stated by our Commander in Chief Fidel Castro in the Brazilian capital. In his first news conference in Brazil, the leader of the revolution stressed that if we do not unite we will be colonialized. This is why, he said, everyone's instinct calls for moving closer.

Fidel said to over 600 reporters and public that his visit to Brazil on the occasion of the transfer of presidential powers seeks to establish closer ties between Cuba and Brazil and move closer to Latin American nations. In his remarks, the president of the Councils of State and Ministers also said the Yankees are the only obstacle to Cuba's possibly rejoining the OAS. If Latin American countries deem it convenient, said Fidel during the news conference in Brazil, we are willing to rejoin the OAS. He added, this reaction is part of our solidarity.

Fidel also referred to the future of the continent and said the fundamental problem now is not the building of socialism in one territory or another but independence, wisdom, and solving economic and social difficulties.

Responding to a question on democratic opening in Brazil, Argentina, Chile, and Uruguay, the leader of the revolution said the Cuban people were pleased to hear about those processes which are unquestionably positive steps. Nevertheless, added Fidel, the terrible social and economic conditions which are at the limits of tolerance and tend to worsen in those countries are reason for concern.

Responding to a question posed by a LOS ANGELES TIMES reporter, our commander in chief noted that the Yankee invasion on Panama was an insolent and shameless act, a massacre of Latin Americans. He also said the intervention was a child of dominance, arrogance, and even stupidity, while it constituted a military practice and an opportunity to test new weapons.

Regarding the current situation in Nicaragua, Fidel said the Sandinists cannot surrender or commit suicide and should act through political means, but if they are repressed or victims of attacks, they will use weapons to defend themselves. He also explained that since capitalism never gives up, revolutionaries should never surrender either even if they are a minority.

Fidel Castro exchanged views with dozens of political, religious, and media personalities. According to news reports from Brasilia, Fidel met with Costa Rican President Oscar Arias, Venezuela's Carlos Andres Perez, and Spanish Prime Minister Felipe Gonzalez. Accompanied by Juan Escalona, president of the National Assembly of the People's Government, and Cuban Ambassador to Brazil Jorge Bolanos, the top leader of the revolution also talked to Colombian statesman Virgilio Barco at the Colombian Embassy.

Fidel's second day of work at the Brazilian capital ended after a meeting with Brazilian Senator Ulysses Guimaraes.

Castro Visits Bishops' Conference

FL1703032990 Havana Radio Rebelde Network in Spanish 0014 GMT 17 Mar 90

[Report by Alberto D. Perez from Brasilia, Brazil, on the "Exclusivo" program—live]

[Text] Commander in Chief Fidel Castro has made a very important visit, in the opinion of many Brazilians, because he visited the National Bishops' Conference in Brazil, which is in the diplomatic sector of Brasilia. The commander in chief had sent a letter expressing concern over the health of Bishop Luciano Mendes, president of the conference, who was in an automobile accident and was hospitalized for many days. Fortunately, he improved enough to be released from the hospital. I was able to make a recording of the complete text of the letter the commander in chief sent to the bishop. Let us listen to it:

[Begin recording] [Unidentified speaker] Excellency: I received with pleasure the news of your rapid recovery after the accident that caused concern among us all. I hope that you will soon be able to resume your valuable duties as president of the National Bishops' Conference. I reiterate that I follow with profound interest the activities of the Catholic Church in Brazil and I admire the efforts it makes to efficiently create options for the poor. You can be certain that this effort completely coincides with our ethical principles and our feeling of social justice.

I reiterate my highest regards and wish you a complete recovery.

Respectfully, Fidel Castro Ruz. [end recording]

Visits Sao Paulo

FL1703190290 Havana Tele Rebelde Network in Spanish 1800 GMT 17 Mar 90

[Text] Commander in Chief Fidel Castro, president of the Councils of States and Ministers, arrived today in the Brazilian State of Sao Paulo during his fourth day in Brazil. [video shows Castro surrounded by a group of people]

Fidel's Sao Paulo visit responds to an invitation extended by that state's governor, Orestes Quercia, who traveled to our country in 1988. Early this morning, the commander in chief was welcomed by many people at the Latin American Memorial. The Cuban and Nicaraguan delegations were invited to attend the ceremony to present the Sao Paulo State Award to (Orlando Vilas Boes), an outstanding figure who has fought for the rights of Brazilian and Latin American indians.

'Passionately' Defends Angola

MB1803083890 Luanda Domestic Service in Portuguese 1900 GMT 17 Mar 90

[Text] Cuban President Fidel Castro was strongly applauded in Brasilia on 16 March for passionately defending the Angolan revolution.

At a news conference attended by journalists, politicians, university students, and militants from leftist Brazilian movements, Fidel Castro emphasized that Angolan-Cuban solidarity was (?based) on internationalism and had once again (?defeated) the enemy. Angola (?has) its own Army [words indistinct] the Cuban troops against the South African invasion.

We did not send in tanks to defend socialism in Angola. Cuba does not believe in defending international socialism with tanks [words indistinct] it should be recalled that Cuban President Fidel Castro Ruz and other heads of state attended the inauguration ceremony of new Brazilian President Fernando Collor de Mello.

Brazilian Intellectuals Send Castro Open Letter

FL1603160390 Havana Television Network in Spanish 0100 GMT 16 Mar 90

[Text] Hundreds of Brazilian intellectuals of various areas of study and tendencies have welcomed the presence in the country of President Fidel Castro and expressed their support of the Cuban people who have been able to maintain their ideals with such firmness. In an open letter addressed to our commander in chief on the occasion of his presence at the presidential succession events, renowned creative people and artists noted the existence in Cuba of a human generation unparalleled in Latin America. The text says Fidel Castro's presence in Brazil is an opportunity to recall the great achievements of Cuba which in one generation abolished poverty and illiteracy and ensured equal opportunities to the population. The document says: Through Fidel Castro, we salute the Cuban people who have been able to maintain their ideals in such a firm way. The long list of signatories is headed by Architect (Oscar Niemeyer).

Brazilian Media Find Castro of Special Interest

FL1703042590 Havana Television Service in Spanish 0100 GMT 17 Mar 90

[Text] [Announcer] Most of Brazil's newspapers, radio stations, and television networks have agreed that the president of the Cuban Councils of State and Ministers, Fidel Castro Ruz, has been the foreign guest that has most attracted the attention of the 120 delegations that traveled to this country to attend the inauguration of the new head of state, Fernando Collor de Mello. [video shows Castro surrounded by people] The media also agrees that Fidel was the person most applauded by the guests. [video shows Castro surrounded by applauding people]

The press did not remain behind. The FOLHA DE SAO PAULO newspaper today publishes a front-page picture of Fidel next to Peruvian President Alan Garcia, and on an inside page, under the subtitle of "Illustrious Guests," the paper reports how Fidel drew crowds of reporters who were interested in obtaining interviews. It also carries stories of how media workers forgot all about other leaders as soon as Fidel appeared. The special correspondents also received requests from their media centers to obtain interviews with Fidel.

The CORREIO BRAZILIENSE newspaper carried two columns and a picture of the highest Cuban leader and reported on Fidel's activities, although it focused on aspects of the island's policies and on the special period during peacetime that Cuba is experiencing.

The different television networks, including O Globo, Manchete, and Bandeirantes, were granted long, exclusive interviews. Two of these have been broadcast and the other one will soon be carried on a special program entitled "Face to Face."

The deputy of the Liberal Party, Adolfo de Oliveiras, spoke highly of the Cuban people.

[Begin Oliveiras recording, in progress]... for us. We always follow Cuba's experience. It has a very brave, creative people, a people that has very significant, important victories in the cultural, sport, abd public-health sectors. These things are all a reality in Cuba. I think that the friendship between the Brazilian and Cuban people will become stronger, more extensive. [end recording]

[Announcer] The head of the parliamentary bench of the Workers' Party, (Mumerisin Dumilomen), said the following:

[(Dumilomen) recording indistinct].

[Announcer] Some guests also mentioned their meeting with Fidel. Venezuelan President Carlos Andres Perez said:

[Begin Perez recording] We—President Castro, President Felipe Gonzalez, and I—had a very important and pleasant meeting. We discussed problems of Latin America, the new world reality, and the interest we all have in Cuba and in President Fidel Castro's leadership. It was a very good meeting. [end recording]

[Announcer] The Cuban president himself acknowledged in front of reporters, the numerous meetings he has had with leaders from Latin America and other regions, and with Brazilians from different sectors, all of which caused him to work a straight 24-hour day. Late last night and early this morning, Fidel received the president of the People's Republic of Angola, Jose Eduardo dos Santos; Nicaraguan head of state, Daniel Ortega, and his delegation; and Bolivian President Jaime Paz Zamora. Fidel also met with Ulysses Guimaraes, president of the Brazilian Democratic Movement Party.

Since the visits [words indistinct] one another, bilateral dialogues take place, and also pleasant conversations among everyone.

Today, Fidel has a heavy program of appointments and meetings similar to the previous ones.

Call for PCC Congress 'Unanimously' Supported

FL1703030190 Havana Radio Rebelde Network in Spanish 0001 GMT 17 Mar 90

[From the "Exclusivo" program]

[Text] The Cuban people unanimously support the call for the fourth congress of the Communist Party of Cuba [PCC] made by the second secretary of the PCC Central Committee, Army General Raul Castro, coinciding with the 112th anniversary of the historic protest of Baragua. Production, service, and education centers, and also military units; were scenes where workers, peasants, students, and combatants expressed their total support for the call for the congress and acknowledged the prestige of the party as the guide for our revolution. This most beautifully demonstrates that the people are aware of the current times and are willing to make their best efforts to improve our society under the banners of socialism and Marxism-Leninism.

That is the feeling of Cubans in the 14 provinces and in the special municipality of Isle of Youth, where the people agreed to stress the importance of the call because it outlines the plan of action for the immediate future. When our people support the call for the Fourth PCC Congress, the watchwords, production and defense, are consolidated and it becomes evident that there will be no alternative other than socialism or death.

Today's demonstrations along the Caiman and Verde Olivo reiterate the principle that Cuba will be an eternal Baragua defending the traditions of this people, heir to the uncompromising spirit of Antonio Maceo.

Commentary on Problems of New Nicaraguan Regime

PA1803230090 Havana International Service in Spanish 0000 GMT 17 Mar 90

["Our America" commentary read by Urbino Amaya]

[Text] News reporters in Managua have reported that since the electoral victory of the right-wing National Opposition Union [UNO], the people's insecurity regarding the future government of President-elect Violeta Barrios de Chamorro is visible. One of the reasons for the concern is no doubt the economy because its future is uncertain, especially since Chamorro's economic adviser Francisco Mayorga announced the possible creation of a new national currency.

So far, the cordoba has suffered a drastic devaluation and the dollar goes for 100,000 cordobas on the black market. Barely two weeks ago, the dollar was sold for 65,000 cordobas and, although this figure is high, it had not experienced the current exorbitant rise. Uncertainty has driven thousands of people to withdraw their savings from banks [words indistinct] even President Ortega warned about the harm this situation could cause the economy. The situation may worsen because of threats by businessmen to privatize major sectors.

Recent news reports from Nicaragua indicate that hundreds of families crowd municipalities to legally register the houses they have acquired in the past 10 years of the Sandinist revolution. Relatives of previous owners of land, companies, and homes are in Managua demanding the return of their goods. At present, no land titles are being distributed until the National Assembly approves the housing law, currently under debate. Nicaraguan Vice President Sergio Ramirez has told the press that the law will protect thousands of families against any attempt by former landowners to evict the new tenants from their homes.

Meanwhile, the outgoing Sandinist regime races against time to guarantee the social gains achieved during their term in office. The U.S. Government announced that it will lift the economic embargo it imposed on Nicaragua in 1984. However, U.S. President George Bush, perhaps to please God and the devil, has announced that he will give $26 million in aid to the Nicaraguan counterrevolution, although Washington had pledged to disband those forces.

We can say, in conclusion, that as long as the unconventional forces are not disbanded—and they do not want to, unless the Sandinist Army does the same—they will continue posing a threat to the stability of any government. The basic condition for the peaceful transition of power is the disbanding of the counterrevolutionary groups. Otherwise, the war will continue and those who voted for peace in Nicaragua will feel deeply disappointed.

Lezcano Tours Centers Testing Special Measures

FL1603140390 Havana Tele Rebelde Network in Spanish 1200 GMT 16 Mar 90

[Text] A day of work under the conditions of a special period in peacetime was held in Havana. Party leaders in the capital toured workplaces participating in this experiment. Jorge Lezcano Perez, a member of the Central Committee and first secretary of the City of Havana Provincial Committee, pointed out the role of initiatives in each cooperative in resolving the problems that could arise under circumstances like the ones being practiced.

At each unit visited, special attention was paid to compliance with the work plan with a minimum use of energy though readjustments in cargo loading, better use of natural light, a longer workday, and increases in staffing on some tasks. The contributions made at the meat-products enterprise were also confirmed at five other work centers visited. Lezcano said this work demonstrates that it is feasible to produce while conserving electricity, and to continue production even when there is no electricity.

Enterprise Simulates Special Period During Peacetime

FL1703031090 Havana Radio Rebelde Network in Spanish 0003 GMT 17 Mar 90

[From the "Exclusivo" program]

[Text] The results of the simulation of the special period during peacetime today became a revolutionary reaffirmation for the workers of the Instrumentation and Industrial Control Enterprise of Havana. The more than 400 workers of the enterprise learned yesterday that with their initiatives, they can confront current and future difficulties. This is stated in their pledges made in support of the call for the fourth congress of the Communist Party of Cuba.

Meeting at their worksites, they learned that their principal support was their massive participation and the direct linking of workers to production and administrative personnel, and also having fulfilled yesterday's production goals by 100 percent.

El Salvador

ARENA Protests U.S. Visa for D'Abuisson

PA1603145990 San Salvador Radio Cadena YSKL in Spanish 1205 GMT 16 Mar 90

[Text] San Salvador—The Salvadoran ruling Nationalist Republican Alliance, ARENA, has vigorously protested to the United States for granting a single-entry visa with movement limitations to only one area within the United States to Salvadoran rightist leader Roberto D'Abuisson.

According to a document signed by the ARENA deputies and addressed to U.S. Ambassador to El Salvador William Walker, there is no legal or moral reason to deny a multiple-entry and free-movement U.S. visa to a representative of the Salvadoran people.

ARENA, the Salvadoran Legislative Assembly majority bloc, described the way in which the U.S. authorities treated current ARENA Deputy D'Abuisson as an offense to Salvadoran dignity.

D'Abuisson, founder of ARENA and one of its main leaders, has been repeatedly linked with the Salvadoran death squads, which are blamed for thousands of crimes committed in our country during the last 10 years.

The Salvadoran deputies stated that the United States grants visas and allows freedom of movement within U.S. territory to representatives of movements which act in far from a cilivized manner and which far from respect human rights, such as the FMLN [Farabundo Marti National Liberation Front]. The deputies added that those rights have been denied to D'Abuisson, because he has defended democracy and freedom in our country and in other countries of the world.

PDC Requests Reopening Case Against D'Aubuisson

PA1703183890 San Salvador DIARIO LATINO in Spanish 13 Mar 90 p 1

[Text] In one of the five points considered as basic for the democratization of the country, the current leadership of the PDC [Christian Democratic Party] has demanded the reopening of the case against Major Roberto D'Aubuisson which the PDC had requested in 1985 from the Legislative Assemb y.

The PDC makes such a request upon announcing its support to San Salvador Mayor Armando Calderon Sol, who condemned the act8vities of the "death squads."

"The PDC notes its request to reopen the pending trials to investigate crimes reportedly committed by these ominous groups."

Another PDC request is the reopening of the extradition process against the main suspect in the murder of Monsignor Oscar A. Romero, Captain Alvaro Rafael Avila Saravia, whose extradition was blocked by the ARENA [Nationalist Republican Alliance] magistrates.

In the fourth point, the PDC demands the renewal of the Supreme Court of Justice that is currently formed by "persons who do not have moral solvency."

Finally, the PDC, which is the largest political opposition force, requests the dismissal of the general prosecutor of the republic, not for his alleged crimes but for his incapacity in his job.

Rebel Commander Holds News Conference in Mexico

PA1603151690 San Salvador DIARIO LATINO in Spanish 15 Mar 90 p 7

[Text] Mexico City, Mar, (Special Service)—Commander Leonel Gonzalez of the Farabundo Marti National Liberation Front (FMLN) has told the press in Mexico City that the United States "can no longer sustain the argument that communism poses a threat to El Salvador; that no longer exists." What we must do now is "strengthen negotiations to find a political solution to the conflict."

In a press communique that was widely broadcast in San Salvador on 14 March, the FMLN High Command announced that as of 16 March it will stop sabotaging public transportation and telephone communications, and suspend its attacks against government officials and civilians.

Nevertheless, following a remark to the effect that the FMLN reserves a series of possible military actions, Gonzalez pointed out that "the FMLN military activities will continue and increase." The Salvadoran Government "is misreading what happened in Nicaragua. Some radical sectors are again thinking of an FMLN military defeat, which is unrealistic," Gonzalez said.

Meanwhile, Commander Shafik Handal, who left Mexico yesterday, said that, regarding the investigation of the Jesuit priests' murder, "the results are still unsatisfactory and that it is evident that many people are involved, among them the General Staff."

"The trial is serving as a political cover up for Alfredo Cristiani's government until the U.S. Congress decides whether or not it will continue sending aid to El Salvador," Handal concluded.

Meanwhile, Gonzalez said that talks with Alvaro de Soto, the UN envoy for Central America, remain at a standstill "because of the stubbornness displayed by President Cristiani, for whom preconditions for the establishment of the dialogue come first."

Since October, the rebels and Cristiani's government suspended the round of talks they had initiated in Mexico in mid-September 1989.

Commanders Gonzalez and Handal also proposed making El Salvador's local election in 1991 similar to those in Nicaragua, where "democracy was fully exercised and where the revolution has not been lost, its context has simply changed," Gonzalez said.

Gonzalez concluded by saying that "following the elections in Nicaragua, the FMLN believes that there are greater possibilities of achieving a solution to the Salvadoran conflict."

FMLN Issues Communique on Government Attitude

PA1603143890 (Clandestine) Radio Venceremos in Spanish to El Salvador 1237 GMT 16 Mar 90

[Communique issued by the General Command of the Farabundo Marti National Liberation Front, FMLN, in El Salvador on 15 March]

[Text] The General Command of the FMLN [Farabundo Marti National Liberation Front] deems as positive the government's recognition of the FMLN's good-will gestures. However, we view as a negative that there is not a corresponding attitude in the government's response. In this regard, we inform:

1. The government response tries to undermine our gesture. The FMLN has never had a policy to attack or harm the civilian population. Our gestures are a clear contribution to strengthening the space of other political and social forces to allow for their participation in the politically-negotiated solution process and in the effort to humanize the conflict.

2. The government and the Armed Forces continue to violate human rights, bomb civilian populated areas, subject the country to a permanent state of siege, be it legal or de facto. In a constant and systematic manner, the government maintains a policy of capturing and torturing leaders of people's groups; maintains sieges and raids; harasses the communities of repatriates; and sabotages the property of residents in areas under FMLN control.

In the meantime, no step has been taken to investigate and punish the murder of Monsignor Romero and the massacre of Fenastras [Salvadoran Workers National Union Federation], while the trial against the murderers of the Jesuit priests has stagnated and the suspects are promoted or sent abroad.

The government intends to appoint as defense minister the person who gave the order to murder the priests, and it allows the reported executioner to live in a luxury apartment.

3. We agree with the permanent, serious, important, and reserved character that the negotiation process should have.

4. The government is morally and politically compelled to implement goodwill gestures as soon as possible that will permit the exercise of citizen's freedoms and cease the daily human rights violations and all forms of aggression aimed at the civilian population.

5. We warn that it would be regrettable for the people's peace and democracy hopes if the government and the Armed Forces try to harden warmongering positions, believing in the mirage of an alleged weakness of the FMLN. Obviously, this mistake would only lead to a worsening of the war and would further delay the possibilities of negotiations, democratization, and peace for El Salvador.

FMLN General Command
[Signed] Commander Jorge Shafik Handal, Commander Eduardo Sancho, Commander Salvador Sanchez Ceren, Commander Francisco Jovel, Commander Joaquin Villalobos
[Dated] El Salvador, 15 March 1990

Coprefa Reports Several Clashes With FMLN

PA1803041690 San Salvador LA PRENSA GRAFICA in Spanish 13 Mar 90 p 19

[Text] The Armed Forces Press Committee (COPREFA) has reported that many terrorists have been killed and wounded in various clashes in the eastern part of the country.

A military spokesman said that four guerrillas have been killed and at least six more who had been wounded managed to escape with the help of their comrades, following a clash between the FMLN [Farabundo Marti National Liberation Front] and Military Detachment No. 3 soldiers on the outskirts of Cacaopera, Morazan Department.

In the same incident, the spokesman reported, a soldier was killed. Once the shooting ended, military personnel confiscated several war supplies.

Military sources have also reported an armed confrontation at Las Marias Canton, Jocorro Jurisdiction, in which combined units from the National Police and Treasury Police took part. In this clash, a woman who headed the group was killed. A member of the National Police was also wounded in the shootout.

The 6th Infrantry Brigade Command based in Unsulutan has reported that a guerrilla was killed during a clash at Los Caballeros farm in Tecapan. One guerrilla was found wounded and assisted by garrison personnel who evacuated him for medical attention.

This same brigade also reported that it had found the bodies of three rebels who had been partially buried near the San Gabriel farm, also in Tecapan.

The Military Detachment No. 4 Command has reported that their troops found three bodies of terrorists who had been killed on the outskirts of the Gutierrez neighborhood at Ciudad Barrios, San Miguel Department. A mortar with it's support base and other military supplies were confiscated there.

Near the San Carlos farm, at San Francisco Javier, 6th Infantry Brigade troops engaged in clashes with extremists, killing five guerrillas. Two soldiers were wounded, and seven explosive devices were confiscated.

UNOC Leader on Situation of Peasants

PA1803041790 San Salvador DIARIO LATINO in Spanish 6 Mar 90 p 24

[Text] Amanda Villatoro, general coordinator of the National Peasant-Worker Unity (UNOC), said today that the 10 years that marked the self-improvement of peasants in the social, political, and economic areas is being threatened by the latest steps against this sector, steps that the government is encouraging.

The peasants are the real protagonists of the democratic process that consolidated the agrarian reform and opened political opportunities. Thanks to this, there will be democracy in our country someday, Villatoro said.

The ARENA [National Republican Alliance] government, which holds absolute power, is orchestrating a slander campaign against both economic and social progress made by the peasants to make cooperative systems disappear, she said.

She cited, as an example, the cotton produced by the reformed sector; the production is much higher than the private sector, proving that peasants can work independently and make their own decisions.

Regarding the fragmentation of the land, she said that the idea is to divide the peasants economically and organizationally, adding that bank privatization will allow the former owners to reclaim their land.

In addition, she added, on a plot of land, only corn, dry beans, and gama grass can be sown because large projects such as cattle production and industrial planting cannot occur.

State meddling is destructive, Villatoro said, citing as an example the ISTA [Salvadoran Institute of Agrarian Transformation]. It forces cooperatives to have a joint administrator or risk receiving no loans for the 1990-1991 harvest.

Villatoro said that ARENA is worried that the peasants have attained social, economic, and political power as this assures the democratic horizon which still has not arrived. She also added that many ARENA actions are aimed at preparing conditions for the next elections.

Guatemala

Cerezo Optimistic About URNG, CRN Talks

PA1703031190 Guatemala City Teleonce Television in Spanish 0300 GMT 16 Mar 90

[Text] President Vinicio Cerezo has spoken to the press about the talks that will soon be held in Oslo, Norway between the Guatemalan National Revolutionary Unity [URNG] and the National Reconciliation Commission [CRN] and that are based on the Esquipulas II Agreements.

[Begin Cerezo recording] In Norway we will try to establish a serious dialogue with the guerrilla groups using the Esquipulas mechanisms. I believe there are important prospects opening up in Central America. Perhaps this is the most important moment for the Esquipulas II plan. Therefore, good communication with the United States is necessary and advantageous; there should be no confusion and there should be mutual respect. The CRN will be sending Mario Permuth, Engineer Jorge Serrano, and the CRN's secretary. I believe both are very serious. They have the government's endorsement to try to hold serious discussions on the topic, without any preconditions, to seek a nonviolent way to resolve the problem of reincorporating the armed movements into the country's political process. The CRN will report whether this attitude exists, but we are hopeful that a war—an unnecessary war which has led so many people to their death—will definitely end. We should begin to feel optimistic. Things that looked difficult at some point in time are starting to work out. For example, we have free elections in Nicaragua and in all countries, and I would say that the armed groups are beginning to realize that the historic moment demands that all—them and us—need to create a truly pluralist society. [end recording]

Army Sets Conditions for Talks

PA1603170890 Panama City ACAN in Spanish 1535 GMT 16 Mar 90

[Text] Guatemala City, 16 Mar (ACAN - EFE)—The Guatemalan Army is willing to agree to the dialogue between the National Reconciliation Commission (CRN) and the Guatemalan guerrilla movement, but warned that if the rebels do not lay down their weapons, the military will take them from the rebels by force.

Guatemalan Defense Minister General Hector Gramajo said today that as the person in charge of Army policies, "we have been notified about that dialogue effort."

Gen. Gramajo added: "We admire, support, and truly wish fruitful results for the dialogue that will be held in Oslo 27-29 March. The dialogue is sponsored by the World Lutheran Federation and the Norwegian Lutheran Church.

Gramajo asserted: "We truly hope that the dialogue is fruitful, not only as a mere rapprochement, but as a source of genuine measures."

The Guatemalan defense minister stressed that the CRN was formed for the country's reconciliation and that the Army is the armed institution. Thus, he warned that "if the guerrilla movement continues carrying weapons, we must take them away from them, because it is our duty to impose peace in Guatemala."

The CRN announced yesterday that its delegation will be headed by Jorge Serrano Elias, representative of the opposition political parties in the commission. The CRN

was created in accordance with the Central American peace agreement known as Esquipulas II.

Guatemalan President Vinicio Cerezo confirmed that his government supports the CRN delegates' efforts to hold a dialogue with the Guatemalan National Revolutionary Unity (URNG) late this month. Guerrilla Commander Rolando Moran described it as "important and positive." Cerezo stated that the CRN representatives, Jorge Serrano Elias, Mario Permut, and Eduardo Villatoro, will try to promote mechanisms allowing the guerrilla groups to join the country's legal framework. Cerezo said that the results of the Nicaraguan elections and the intention of the Farabundo Marti National Liberation Front [FMLN] in El Salvador to hold a dialogue with the Salvadoran Government are a great lesson from which Guatemalans should learn.

CRN President Monsignor Rodolfo Quezada Toruno said today that the meeting in Oslo is a rapproachment to determine the possibilities for opening a process of political negotiation between the guerrilla movement and the government leading to the end of the armed conflict, which according to humanitarian organizations has taken the lives of over 20,000 people, including 8,000 civilians, during the last 30 years.

Msgr. Quezada said: "We will try to build a bridge to find out whether it is possible to establish a process of political negotiations within the framework of our Constitution, because we cannot do anything unconstitutional or illegal."

The Guatemalan Congress reacted positively to the announcement of the talks between the CRN and the guerrilla movement, because most of the deputies believe "it is timely and necessary to hold talks with the rebels." The deputies believe that the present resumption of preliminary talks with the URNG is the most important political action at the present time, because it has the extensive support of the political party system.

Opposition Deputy Carlos Gonzalez Quezada said that "this dialogue will be a key factor to achieve an atmosphere of peace within the next few months."

Edmont Mulet, of the Union of the National Center (UCN), stressed that at this moment the only offers that can be made to the guerrilla movement are its incorporation into the country's society, a peaceful life in Guatemala, their existence as a political party, and guarantees that there will not be revenge against its members.

The most recent talks between the CRN and URNG representatives were held in Costa Rica in August 1988.

The URNG comprises the Rebel Armed Forces (FAR), the Poor People's Guerrilla Army (EGP), and the Revolutionary Organization of the People in Arms (ORPA).

Cerezo, U.S. Ambassador on 'Positive' Dialogue

PA1603232090 Guatemala City Teleonce Television in Spanish 0400 GMT 16 Mar 90

[Text] President Vinicio Cerezo and U.S. Ambassador Thomas F. Strook described their dialogue at the presidential palace on 13 March as positive. The interview of both personalities took place three days after the U.S. diplomat returned to the Guatemalan capital. Strook had been recalled to Washington for consultations because of an apparent cooling in relations between the two governments following criticism over human rights in our country. The president and the ambassador made the following comments on their meeting:

[Begin recording] [Cerezo] This time we did not broach any particular topics. We discussed topics of mutual interest, and I must admit that the meeting was very positive. We concluded that there had really been an unnecessary argument because we agreed on our mutual interest in democracy coming out ahead, in free elections, in the struggle against drug trafficking, and in our controlling and reducing—as much as we can—human rights violations. He brought a personal message that the embassy was interested in things going smoothly and in our maintaining and strengthening relations between our countries. Strengthening relations is very important for Central America, especially now, when things in Central America are getting underway along such important paths as has happened in Nicaragua, and due to the reduction in the FMLN's [Farabundo Marti National Liberation Front] aggressive attitude in El Salvador where guerrilla groups are apparently trying to establish a serious dialogue through Esquipulas mechanisms. I believe there are important prospects opening up in Central America. Perhaps this is the most important moment for the Esquipulas II plan. Therefore, good communications with the United States, without confusion and with respect for each other, is necessary and advantageous.

[Strook] We have talked to the president frankly and are in agreement. We discussed U.S. and Guatemalan relations and we are both headed in the same direction.

[Reporter] [Question indistinct].

[Strook] We have great interest in human rights and that is why I am here tonight listening to these interesting talks. [end recording]

The activity Ambassador Strook was referring to at the end of his statement was a forum that took place on 15 March at the National Reconciliation Commission headquarters in the capital's Area No. 10. The meeting was entitled Civil Defense, the Constitution, and Human Rights. This forum was organized by the commissions of democratization, political affairs, and human rights of the national dialogue and was intended to establish working constitutional aspects of community action and promote the work of Civil Defense groups.

The U.S. ambassador attended, together with invited members of the diplomatic corps. Among the conference lecturers was General Hector Gramajo, minister of defense; Ramiro de Leon Carpio, Human Rights prosecutor; Edmond Mulet, president of the Congressional National Defense Commission; Oliverio Garcia Rodas, president of the legislative body's human rights commission; and Civil Defense patrolmen and former patrolmen.

Parliamentarians Reject Confrontation With U.S.

PA1803035690 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 7 Mar 90

[Text] Representatives of various parliamentarian blocs have regretted the confrontation between the Guatemalan Government and the U.S. State Department over U.S. Ambassador Strook's charges regarding human rights violation in our country.

Representatives Carlos Chavarria, Sara Marina Gramajo, Leonel Brolo Campos, Juan Ayerdi, and others, censured the public statements made by Ambassador Strook and regretted the fact that tension has reached a very high point between the two. They agreed that this incident could have repercussions regarding human rights cases in Geneva, Switzerland, where Guatemala is in a very difficult situation.

Government, Army Deny Drug Trafficking Charges

PA1603154590 Panama City ACAN in Spanish 1729 GMT 15 Mar 90

[Text] Guatemala City, 15 Mar (ACAN-EFE)—The government and the Guatemalan Army denied today that relatives of President Vinicio Cerezo, high-ranking officials, and members of the Armed Forces are involved in international drug trafficking, as stated before a court by a former officer indicted on drug charges.

Official government spokesperson Claudia Arenas said that "the government refutes the statements made by Captain Fernando Minera Navas," adding that this is "a move by Minera to defend himself from serious accusations."

Captain Fernando Minera Navas, a former member of Cerezo's security guard, said that various public officials, such as Carlos Alfredo Cabrera, the brother of the former foreign minister and official candidate for the Presidency of the Republic, Alfonso Cabrera; and Milton Cerezo, the brother of the Guatemalan president; were implicated in cocaine trafficking.

Capt. Minero Navas also implicated Colonels Brigido Fuentes Orozco and Mynor Estuardo Vasquez, and Captain Erick Alfonso Ralda, intelligence officer of the Presidency Chief of Staff, in drug trafficking.

Arenas said today that Minera was hired as a presidential guard two years ago, "but he was dismissed for disobeying a task given to him, arguing some danger in the order he received." After Minera's "dismissal" from the Presidential Guard, he began to work in 1989 for the Administrative Control Department of the Presidency (DECAP), where he got involved in a drug-trafficking case that prompted his arrest.

During a public hearing on 12 March, Minera implicated Cerezo, relatives of the president, and high-ranking military officers. This has caused a commotion in political circles.

The Army, through a bulletin, states that "it not only denies the accusations made by former officer Minera Navas, but also keeps the right to file a lawsuit against Minera—who has made such accusations in an irresponsible manner—for perjury, slander, and libel." For the Army, "Minera's arguments are nothing more than a ploy to conceal his accomplices, when parties truly responsible for drug trafficking have abandoned him after using him in their criminal operations."

Lorena de Minera, the wife of the soldier accused of drug trafficking, today asked U.S. Ambassador to Guatemala Thomas Stroock to give the names of the Guatemalan officials that the Drug Enforcement Administration of his country has described as drug dealers.

Lorena de Minera also reported that armed men came close to abducting her and her six-year-old son, so she has requested protection from the U.S. Embassy, because she refuses to accept the help from the Guatemalan Government security forces.

Negative Reserves Balance Totals $11.2 Million

PA1803185890 Guatemala City EL GRAFICO in Spanish 14 Mar 90 p 11

[Text] Guatemala City, 14 Mar—According to an official Bank of Guatemala report, the country's international monetary reserves are still in the red. This means that the amount of foreign currency immediately available is smaller than the amount needed to meet payments within less than 30 days.

The report states that as of 9 March the amount of available reserves was $41.8869 million. However, payments that must be made in less than one month total $53.0955 million. The difference between the two figures, $11.2086, reflects the negative balance in reserves.

The situation has worsened because the balance of reserves was in the red as of 2 March, but then it was only $4.3546 million.

Honduras

National Congress Wants Indemnity From U.S.

PA1603135890 Tegucigalpa Voz de Honduras Network in Spanish 1930 GMT 15 Mar 90

[Report by unidentified reporter from the National Congress in Tegucigalpa]

[Text] [Reporter] The National Congress of Honduras, following a serious debate and discussions by Liberal Party of Honduras [PLH] and National Party of Honduras [PNH] deputies, has approved a motion introduced by Deputy Nicolas Cruz Torres.

The motion states that the Honduran Congress should urge the U.S. Congress and the U.S. Senate to make payments due Honduras. The motion also urges the executive branch to file, through the Honduran Foreign Ministry, the same claim with the U.S. Government. The two demands must be accompanied by a full text of this motion and by documents that back this decision.

It has also been decided to respectfully urge the executive branch to adopt measures for an immediate demobilization of the contras and their return to their own country.

The majority of the deputies proposed that the United States be asked to pay an indemnity to towns in the departments of El Paraiso, Choluteca, and Olancho, where refugees live, and to other communities that have been negatively affected by the presence of the Nicaraguan counterrevolutionaries and refugees.

The document also refers to facts such as the debts that counterrevolutionaries have with Honduran people and an indemnity involving the Honduran state.

In summary, the operative part of the resolution states: The losses of the sectors already listed are: Danli Municipality, an estimate of 12,238,700 lempiras; expenditures involving people who had to be moved to Nueva Choluteca, Patuca area: approximately 2 million lempiras; indirect effects on producers from El Paraiso and Alauca: 1.5 million lempiras, for a total of 15,489,405 lempiras. [figures as heard] The indirect effects are listed as: instability in the area, a shortage of manpower to harvest products, and a resulting drop in coffee-derived income.

There are small businessmen and transport-sector people who have gone bankrupt or have acquired huge debts with banks and financial agencies as a result of their transactions with the so-called contras financed by the United States. Others suffered the same fate for delivering supplies that have not yet been paid for despite demands filed directly with the U.S. State Department through Mr. Crecencio Arcos, when he was in charge of Central American affairs and served as liaison for the Caribbean Basin program for Central America, involving more than 3,502,611.45. [no currency specified] Most of this debt is listed in documents.

The argument in favor of approval of the Cruz Torres motion states: We believe that the Honduran Government must help by carrying out honorable actions in favor of securing payment of debts owed to our fellow countrymen. Some years ago, when the government authorized the creation of the Regional Military Training Center in Colon Department, the Army occupied an area that was being illegally held by a North American by the name of Temistocles Ramirez. Ramirez complained to the U.S. Congress and the U.S. Government froze U.S. aid to Honduras until Ramirez received an indemnity for more than $6 million, which at the current exchange rate amounts to more than 30 million lempiras. The Honduran Government was forced to negotiate and pay damages to Temistocles Ramirez.

We believe our government has the constitutional obligation to defend the interests of our fellow countrymen and national sovereignty. The claims we are filing amount to 18,992,016.45 [no currency specified]. This is much less than what was demanded by Ramirez. We are presenting the following motion:

1. The Honduran Congress must demand of the U.S. Congress and Senate payment of debts owed to Honduran citizens.

2. The Honduran Congress must urge the executive branch to make, through the Foreign Ministry, the same demand to the U.S. Government.

Both demands must be accompanied by a text of this motion and by the documents that spport these demands.

This is as far as the motion went until debates on this motion began. Cruz Torres was supported by 15 PLH deputies and 15 PNH deputies.

The following articles were added to the motion:

1. To respectfully urge the executive branch to adopt measures to demobilize the contras and to have them return to their country immediately.

2. To request an indemnity for the towns in the departments of El Paraiso, Choluteca, and Olancho, and throughout the country where refugees have lived.

This is the motion that was seriously discussed at Congress.

Here is Cruz Torres, who will read to us this very important motion as it stands. The Honduran Government has been urged by the National Congress to negotiate with the U.S. Government to follow through on what has been established in this motion presented by Cruz Torres and backed by 30 deputies.

Mr. Cruz Torres, could you explain to us what the outcome was of the motion you presented and which has been backed by the deputies?

[Cruz Torres] The motion urging the Honduran Congress to ask the U.S. Congress and Senate [as heard] to insure payment of the debts that the contras are leaving behind in Honduras was approved unanimously. Those debts are with businessmen and coffee producers in the country's east. These people were forcefully expelled from their land and lost their harvests. The motion also urges the Honduran Government to present, through the Foreign Ministry, an official claim for damages and losses to the U.S. Government. This also has been

unanimously approved by the National Congress. Congress additionally approved the decision to urge the government to speed up work related to the demobilization, dismantling, relocation, and repatriation of the irregular Nicaraguan forces operating in our country.

[Reporter] There was the request for indemnity payments throughout the country.

[Cruz Torres] Right. There was the additional motion requesting indemnity for all the damage inflicted throughout the country. These were the basic issues of the motion approved by Congress.

[Reporter] Thank you, sir. You have heard this on Voz de Honduras.

Callejas Supports Claim

PA1603184490 Panama City ACAN in Spanish 1644 GMT 16 Mar 90

[Text] Tegucigalpa, 16 Mar (ACAN - EFE)—Honduran President Rafael Callejas today supported the Honduran Congress decision to ask the United States to pay millions of dollars in indemnity for the damage caused by the Nicaraguan contras in this country, damage which the government has described as "unmeasurable." Callejas told the press this morning that the demand approved yesterday by the Honduran Congress, nine years after the anti-Sandinist army was installed in that country, is "patriotic, nationalist, and just."

The president said his government will process the demand, set by the deputies at a minimum of $10 million, but said that that figure does not compensate for the damage caused by the prolonged contra presence. The government particularly mentioned the ecological damage to vast areas in Honduras located on the border with Nicaragua, transformed into theaters of war since 1982. "The requested amount is small compared to the magnitude of the consequences Honduras has suffered as a result of the anti-Sandinist war," Liberal Party (opposition) Deputy Rodil Rivera Rodil noted.

The motion approved by Congress mentions the "enormous economic damage, destruction of forests and coffee trees, physical damage, and bad international image Honduras suffered because of the presence of the Nicaraguan contras." There is no thorough inventory in Honduras of the losses suffered since 10,000 contras installed their camps in Honduras in November 1982, sponsored by the United States. A preliminary and partial report notes that hundreds of Honduran coffee growers had to leave their farms to flee the war, suffering losses estimated at $7 million.

Thousands of poor peasants joined the exodus, but their belongings were not included in the total count of the losses. These peasants had to raise new towns in the interior of the country to try to rebuild their lives. Also harmed were businessmen and the transport sector to whom the contras owe $1.6 million for supplies, according to Deputy Nicolas Cruz Torres of the ruling National Party of Honduras. The debt that will never be paid, the local press comments today, consists of the toll of hundreds of Hondurans killed and the untold number of cripples that the contra military adventure leaves in this country. "What price can be put on the life of a child, a father, or a brother who will never return," a spokesman for the Honduran Association of Coffee Producers asked?

The coffee growers tried to get government backing in 1985, 1986, and 1987 to sue the U.S. Administration and Congress for supporting the contras but were unable to. In contrast to the thousands of Hondurans who suffered losses owing to official tolerance of the contras, a group of influential persons made huge profits in dealings with the anti-Sandinists. The flow of dollars thrived around the contras, that is, influence peddling, the sale of weapons, and the supplying of food and countless resources. Approximately 8,000 armed contras remain in Honduras, along with 30,000 civilians who accompany them. There are also 2,000 Nicaraguan refugees in different camps located in the southeast of the country.

Armed Forces Commander on Disarming Contras

PA1803023490 Hamburg DPA in Spanish 0122 GMT 17 Mar 90

[Text] Tegucigalpa, 17 Mar (DPA)—The Honduran Armed Forces said today that if necessary, it would use military force to disarm the anti-Sandinist contras if they resist an eventual demobilization.

General Arnulfo Cantarero Lopez, commander of the Honduran Armed Forces, has said that if his government orders him to disarm the anti-Sandinists because of their refusal to demobilize and leave Honduran territory, his forces would comply. The general recalled, however, that the rebels' demobilization is to take place within the framework of regional peace agreements and that the UN Observer Group in Central America is responsible for making this happen.

The general said that the contras must remember they have to obey the peace agreements signed by the five presidents of Central America. He said that if the Honduran Government of President Rafael Leonardo Callejas orders the contras' disarming, the Honduran Armed Forces will comply but, he said, "I hope it does not come to that."

The contras have been in Honduras since the last decade. They occupy camps in the eastern Honduran departments of El Paraiso and Olancho, bordering Nicaragua. It is believed there are 12,000 contra fighters, with 45,000 of their relatives.

This week, the Honduran National Congress approved a resolution demanding that the government expell the rebels from Honduran territory and also indemnity by the United States for the property and ecological damage done by the rebels during their stay in Honduras.

Nicaragua

Ortega Returns from South American Trip

PA1903025090 Panama City ACAN Spanish 0200 GMT 19 Mar 90

[Text] Managua, 18 Mar (ACAN-EFE)—President Daniel Ortega returned to Managua tonight after a nine-day trip to Venezuela, Chile, and Brazil.

In brief remarks to reporters at Managua International Airport, Ortega noted that all of the Latin American presidents he met with "unanimously advocated the contras' immediate demobilization."

The anti-Sandinist combatants, who have been fighting for eight years, have announced their refusal to demobilize before 25 April, when Violeta Chamorro, who won the 25 February elections at the head of the National Opposition Union [UNO], will assume power.

During his tour, Ortega met with U.S. Vice President Dan Quayle on three occasions and emphasized to him the contras' demobilization as the sole guarantee for Chamorro assuming power "under normal conditions."

The Nicaraguan president attended the inauguration of President Patricio Aylwin in Chile and that of President Fernando Collor de Mello in Brazil.

In Venezuela, during stopovers, Ortega met with Venezuelan President Carlos Andres Perez and Spanish President Felipe Gonzalez, among others.

Managua Radio Reports on Trip

PA1903032190 Managua Domestic Service in Spanish 0120 GMT 19 Mar 90

[Text] The president's trip has been very productive. He met with the most important Latin American leaders. In addition, he met on three occasions with U.S. Vice President Dan Quayle. All of the Latin American leaders support Nicaragua, the revolution, and the Sandinist National Liberation Front [FSLN], and agree that the contras must be demobilized before 25 April, when power will be transferred to President-elect Violeta Barrios de Chamorro.

As we said earlier in this report, President Ortega met with Mr. Quayle on three occasions in various countries, including Chile and Brazil. They discussed the contras' demobilization and agreed that the United States should cut off the humanitarian aid from the contras and transfer it to the International Commission for Support and Verification, which will ensure the contras' demobilization. Ortega said that in Nicaragua full guarantees exist for all those who are in Honduras. If the contras really want peace, they should disband.

In addition, Ortega met with a number of authorities in the various countries he visited, such as Chile and Brazil. In Brazil, the Brazilian General University awarded him a Doctor Honoris Causa degree. Also, he was given the Pedro Ernesto medal, named after the first Rio de Janeiro prefect. President Ortega met with leading Brazilian authorities and Cuban President Fidel Castro, with whom he discussed Cuban cooperation with Nicaragua. We can describe the president's meetings as positive. He also said that everything necessary is being done to hold a Central American presidents' meeting later this month because the current situation is very tense. Regarding this, Ortega, who also visited Caracas today, talked with Venezuelan President Carlos Andres Perez about the Nicaraguan situation. According to the Nicaraguan president, the fundamental problem is the contras, who do not want peace, do not want to recognize the new government, and who covet power. He added that the contras are determined to keep fighting.

In his talks with the Venezuelan president, Perez expressed an interest in things being done properly in Central America and Nicaragua. Both presidents agreed that the contras must be demobilized. Ortega told the Venezuelan press today that the proper conditions for a peaceful transfer of power in Nicaragua depend on the demobilization of the contras. He added that this is essential. The contras, he said, must demobilize before 25 April, when the new government is scheduled to assume power.

Ortega Discusses Meeting With Quayle

PA1603221890 Managua BARRICADA in Spanish 15 Mar 90 pp 1, 4

[Interview with President Daniel Ortega by unidentified BARRICADA reporter, in Brasilia—date not given]

[Text] [BARRICADA] What was the subject of the meeting you held today with Vice President Dan Quayle?

[Ortega] We initiated talks with President [as published] Quayle in Santiago and we agreed to resume them in Brazil. Today we spoke first about the contras. I have already spoken to him about the importance of lifting the embargo, a measure that has already been announced by President Bush. I have told him that I fully back the lifting of the sanctions, as well as the aid that is being given to Nicaragua.

For this reason, the renewed talks centered on the contra issue, a concern shared by President Oscar Arias, who, together with President Carlos Andres Perez, participated briefly in this meeting. I insisted that the funds assigned to humanitarian aid for the contras be apportioned to the CIAV [International Commission of Support and Verification], so it may use them to repatriate the contras who may want to return to Nicaragua and to place in third countries those contras who choose not to return.

Quayle responded neither affirmatively nor negatively to this. I hope that the United States will take a more positive step in this regard, because it would contribute

toward a prompt disarming and demobilization of the contras, so by 25 April there would be no more contras in Nicaragua.

[BARRICADA] What do you think is the main obstacle to demobilization of the contras?

[Ortega] The Honduran Army and Government, who have the contras within their territory, have not decided on their disarmament and demobilization. This is a serious problem, because the contras do as they please, impose themselves, and have veto power. Honduras has said that it cannot put its soldiers at risk by dismantling the contras. This position is not in line with the role that the Honduran Army supposedly must play to recover the country's territorial integrity, which is being violated by the presence of contra camps.

Another obstacle could be the position of extremists in the United States who do not agree with what the Bush administration is doing. This position was made evident by former President Reagan, who has said that the United States must be very careful about what is happening in Nicaragua, as if there was a trick in all that is happening and as if the Sandinists were handling everything so Mrs. Chamorro would win the elections and have her administration burdened with all the economic problems, and prompt the United States to dismantle the contras and lift the embargo, benefiting the Sandinists in the end. Those sectors could be thinking that if humanitarian aid is withdrawn from the contras, it would be like starving those poor people. I have heard a U.S. spokesman argue this.

[BARRICADA] What is the objective of this argument?

[Ortega] The objective is to maintain the contras, so they can continue to act against what has been institutionalized in Nicaragua since the beginning of the revolutionary process. Other objectives are to negatively affect the Sandinist Front, to defeat the economic and social achievements of the revolution, and to disregard the security instruments of the country—such as the Army and the Interior Ministry—that safeguard its national integrity.

[BARRICADA] What do you think will happen after 25 April if the contras are not demobilized?

[Ortega] I think that situation would demand strong action from the Nicaraguan people, the waging of a firm battle to disarm and dismantle the contras, as well as stronger actions by the Honduran Government and Army.

This is why the Central American presidents' meeting we are proposing for Managua at the end of the month is very important, because we would discuss these problems with the objectives of seeing the United States act more vigorously and of analyzing the possibility of having the blue helmets [UN forces] participate in an international effort so we may get rid of the contras once and for all.

[BARRICADA] What are the United States' fears concerning the performance of the future government of the National Opposition Union [UNO]?

[Ortega] I would not call it the UNO government, but the government to be headed by Mrs. Chamorro as president of Nicaragua, since UNO, as a coalition, has already played its role, a role that expired on 25 February. Now we will have a government with a chief of state—Mrs. Chamorro. The main problem will be, undoubtedly, the contras, and also the economy, because the new government has committed itself to resolving the economic problems quickly and, by golly, that is a big challenge in the face of a people who want their situation resolved.

[BARRICADA] What do you think about the amount of aid that Bush has requested for the Chamorro administration?

[Ortega] The aid package that is about to be discussed and approved by the U.S. Congress is very small, considering the scope of the damage inflicted on Nicaragua as a result of the U.S. policy. We estimate losses at $17 billion. It is most necessary to seek indemnity for all Nicaraguans, regardless of political and ideological positions, because the contras have hurt not only Sandinist workers and peasants, but also producers with different political positions. We are in favor of indemnity for the Nicaraguan people, since the International Court of Justice backs this demand by the Nicaraguan people.

There are talks about $300 million. Part of this is to be directed at resettling the contras, and another part is to make payment on the debt. This means deducting $100 million from the $300 million. The package is shrinking, and considering Nicaragua's demands resulting from the acutely difficult situation of its economy and the great harm inflicted on the Nicaraguan society and economy, the aid is really very little.

[BARRICADA] Does the fact that the U.S. Government has suspended the embargo while you are still president of Nicaragua have any significance?

[Ortega] I think that the suspension of the embargo and the sending of aid following my talks with Vice President Quayle is a very positive gesture by the U.S. Government. I view this as a gesture of respect for the Nicaraguan Government and the Sandinist National Liberation Front, and also, a little bit, as the United States' way of saying: All right, we are also ready to work with the Sandinists. This is what I sensed in the talks I have held with Vice President Quayle in Santiago and here in Brasilia. I had not met him before that, but we held very cordial and friendly meetings during which we discussed these issues very frankly, with the disposition of finding answers for the problems we have discussed.

[BARRICADA] How do you view the results of your trip to Chile?

[Ortega] That trip was of historic importance for me, because I was able to sense the Chilean people's struggle,

which, through Allende and Neruda, has been very much linked to that of the Nicaraguan people and has left marks that have strengthened these links. From my point of view, my visit to Chile was the climax of links that have united us for years. I view it as the popular government of Nicaragua visiting Chile after 16 years to establish direct contact with the Chilean people, which is what we did.

Ortega Comments Further

PA1603195490 Managua Radio Sandino in Spanish 1823 GMT 16 Mar 90

[Statements by President Daniel Ortega to reporters aboard a plane flying from Brasilia to Rio de Janeiro, Brazil on 16 March—recorded]

[Text] I began holding talks with U.S. Vice President Dan Quayle in Santiago, Chile, which resulted from an initiative by Venezuelan President Carlos Andres Perez, who spoke with Quayle during a stopover in Venezuela about the possibility of a meeting between Quayle and me in Santiago. Vice President Quayle agreed and that is why the meeting was held. I held the meeting with him in Santiago and we decided to continue it in Brasilia.

What did we discuss? That is important because I want to clarify some dispatches that have been distorting the contents of the talks. First, we are not negotiating anything with the United States regarding the decisions that Nicaraguans themselves must make regarding the internal affairs of Nicaragua. Things having to do with the Army, with the Interior Ministry, and with the transfer of power are not being negotiated with the U.S. Government, and therefore, I did not talk about this with Vice President Quayle. That is a decision that Nicaraguans must make, and the United States respects or should respect that decision.

The topics we discussed in depth are those that directly involve the United States. It has to do with the counterrevolution, with the mercenary forces that continue to receive U.S. Government financial support by means of the so-called humanitarian aid that comes through Honduras and that has not yet been suspended by the United States, despite all the conditions which have been created and which should be more than enough reason for the so-called humanitarian aid to be suspended. This aid is both unjustified and condemnable because counterrevolutionary forces are being financed and they continue to attack the Nicaraguan people.

Vice President Quayle carefully listened to my viewpoints in Santiago, where he also informed me that President Bush would send an aid package to Nicaragua. He said that Congress would discuss it first. He said that part of this aid woud be used for the relocation of the contras.

I told him this was not enough because that would seem like the United States was trying to give more aid to the contras, in addition to the so-called humanitarian aid. I told him that it is important for them to suspend the so-called humanitarian aid to the contras. The United States should make a political commitment to make the contras disappear and to disarm them. The contras should be allowed to return to Nicaragua if they wish or they should be allowed to relocate in other countries if that is what they want.

Ortega Comments on Contras, Quayle Talks

PA1903134790 Managua Radio Sandino in Spanish 1200 GMT 19 Mar 90

[Text] President Daniel Ortega warned last night that the present time is both the most dangerous in Nicaragua since the revolution began 10 years ago and also the most significant, because there is a possibility of attaining peace with the demobilization of the contras.

Upon returning from his tour of South America, Ortega said that he did not believe the contras would lay down their weapons before 25 April, and added that this could cause a civil war, because the people have been armed for the past years, want peace, and are determined to end this problem. He added that it would suffice to demobilize the irregular forces if the U.S. Government stopped providing economic support to such forces and if the Honduran Government disarmed the contras currently in Honduran territory.

Nicaragua is facing the danger of civil war if the contras do not disarm and demobilize, President Daniel Ortega warned last night. Upon concluding a tour through various South American countries, and during a stopover in Caracas, Ortega discussed the contras issue with his counterpart Carlos Andres Perez, who promised to make all possible efforts to attain the demobilization of the contras. President Ortega said that Nicaragua is about to explode, because the contras represent the fuse that could set off the powder keg, and this would not permit a peaceful transfer of power on 25 April. Let us listen to President Ortega.

[Begin recording] [Ortega] To threaten Nicaraguan people with war again [words indistinct] after 25 April. Therefore, there is a risk of having a civil war.

[Reporter] [Question indistinct].

[Ortega] I talked to Spanish Prime Minister Felipe Gonzalez, who promised to donate $45 million to Nicaragua. Therefore, this will help lessen the difficult economic situation that Nicaragua is facing.

[Reporter] What about the summit?

[Ortega] Regarding the summit, we are waiting for [words indistinct] the end of the month, to discuss specifically the contra issue.

[Reporter] What about the talks you held with the U.S. Vice President? It seems contradictory to me that...

[Ortega, interrupting] I talked to the U.S. Vice President specifically about the contras issue [words indistinct]. I have no reason to make any commitments to Vice President Quayle. I make commitments to the Nicaraguan people, not to Vice President Quayle. I talked to him about the contras issue, because they are involved in that. I told him that they should cut the so-called humanitarian aid to the contras, because with this aid the United States continues making the war official, and the war is against the Nicaraguan people. Up until this time the United States has not suspended the so-called humanitarian aid to the contras. In a truly [words indistinct] action, the United States should immediately suspend the so-called humanitarian aid.

[Reporter] What is the position of President Carlos Andres Perez regarding the demobilization of the contras?

[Ortega] Carlos Andres Perez and the Honduran, Costa Rican, and [words indistinct] presidents, as well as all Latin American political leaders with whom I have talked, are in favor of the immediate disarmament and demobilization of the contras [words indistinct].

[Reporter] Why did you file a request to be a member of Socialist Internatioal?

[Ortega] We have always been in the [words indistinct] international, where we made efforts to be admitted as members, [words indistinct], there were some difficulties. However, the atmosphere is favorable at this time. We now have the support of Spanish Prime Minister Felipe Gonzalez and of President Carlos Andres Perez, so Nicaragua [words indistinct]. [end recording]

President Daniel Ortega said last night that he will turn over power on 25 April, which does not mean that the internal situation is normal or that the Nicaraguan people will remain indifferent toward the contras' presence. Ortega reiterated that as long as the contras, whose demobilization is ordered in the 7 December presidential agreements, still maintain a presence, there will not be peace in the country due to the danger they represent. The Sandinist president blamed the Honduran Armed Forces for not fulfilling the Central American peace agreements, and added that if they cannot fulfill this task, UN and Venezuelan peacekeeping forces could provide support to demobilize and relocate the contras.

Upon returning to the country last night after touring several South American countries, President Daniel Ortega announced that Spain offered Nicaragua $45 million in immediate economic aid. Ortega said that the Spanish aid was offered by Felipe Gonzalez during the meetings they held in Brazil, Chile, and Venezuela, and added it will help Nicaragua in the difficult situation it is facing. During the news conference, the Sandinist leader did not specify if the immediate aid promised by Gonzalez would reach Nicaragua before or after the new government of Violeta Barrios is inaugurated.

Commentary Terms Quayle Remarks 'Ambiguous'

PA1903145290 Managua Radio Sandino in Spanish 1230 GMT 19 Mar 90

[Station commentary]

[Text] The changes noted in the statements made by U.S. Vice President Dan Quayle on 17 March can only be explained as the U.S. Government's determination to keep the contras active and to sabotage efforts to achieve peace.

Following his meeting with President Daniel Ortega in South America, Quayle demanded on 16 March that the contra leaders immediately demobilize, but on the following day he was ambiguous in front of the television cameras. His change of opinion proves that President George Bush and the most radical American politicians are not interested in the region attaining peace, because they know of the danger the contras represent.

Following over 10 years of attrition generated by a brutal war of aggression, the Nicaraguans are experiencing a profoundly unstable situation because of the contras' refusal to disarm. When added to the political-military factor, this instability grows even greater because of the contradictory economic expectations prompted by the statements and promises of the new government's leaders and the uncertainty of foreign aid.

The U.S. Congress is entering the final two weeks that it has to totally or partially approve an aid package for the new Nicaraguan administration. Japan and other countries have not yet established aid packages, and because of the conflicts, the EEC is threatening to suspend agreements that had already been signed.

Going all out to achieve one of the fundamental goals of the Sandinist National Liberation Front, Ortega has demanded peace at all of the forums and says that he will turn the government over on 25 April. However, he is demanding the contras' demobilization as a means of minimum security for his fellow citizens.

The U.S. Government, which created the contras and which has also maintained them for the past 10 years, is a public ally of the new government and is absolutely responsible for its irregular forces' demobilization, because following instructions from the United States, the contras refused to disarm on 7 December, as they were instructed to do in the Central American agreements.

Washington must not disregard the insistent pleas made by the heads of state of Honduras, Costa Rica, Venezuela, Spain, and other countries in favor of the contras' demobilization, unless it is interested in continuing the bloodshed in Nicaragua.

The prolongation of the war and the eventuality of a civil conflict of unfathomable proportions are phantoms that we must keep at a distance for the Nicaraguan people's good. The total responsibility is in the hands of the U.S.

Government, which can contribute to peace by ordering the contras' demobilization.

Ortega Says Sandinist Army Will Obey Chamorro

PY1503182290 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 15 Mar 90

[Interview with President Daniel Ortega by reporter Paulo Enrique Amorim; date and place not given; Ortega answers in Spanish, and Amorim provides superimposed translation into Portuguese—recorded]

[Text] [Amorim] President Ortega, will President-elect Violeta Chamorro be the actual commander in chief of the Nicaraguan Armed Forces? Will she have control over the Sandinist Army?

[Ortega] Yes, the law states that the president is the supreme chief of the Armed Forces, and Chamorro will hold that position.

[Amorim] What will happen to the Sandinist Army under the Chamorro administration?

[Ortega] The Sandinist Army does not belong to any party, but rather to the nation. It defends the national interest and it is subordinated to the government.

[Amorim] Why did you lose the elections?

[Ortega] Because of U.S. pressure. If the Nicaraguan people had voted for the Sandinists, the war and the economic blockade would have continued. If the people voted for Mrs. Chamorro, the war and the blockade would end. Despite everything, however, we agreed to holding the elections under those conditions because we wanted peace.

[Amorim] Can the Nicaraguan elections exercise some sort of influence for a call for elections in Cuba in the near future?

[Ortega] I believe Cuba and Nicaragua are undergoing two different processes. The Nicaraguan election was a process which was different from the elections in other Latin American countries. For example, I can assure you that there will never be a military coup in Nicaragua.

[Amorim] Did you ever fear being politically isolated, like political isolation may affect Fidel Castro in Cuba?

[Ortega] At no time, because the Nicaraguan process has been very creative and very rich. The United States has pressured Nicaragua, but our country has the support of the United Nations and of the International Court of Justice. I believe that Cuba is at a higher level, because it is a fact for the world, for Latin America, and for the Caribbean. After many years of exclusion, Cuba today participates in Latin American dialogue.

[Amorim] What are your personal plans? Do you intend to run for president again?

[Ortega] No. I think that I am now a deputy and that my participation in congress will be very important. I will belong to a constructive opposition sector, near the rank-and-file, the neighborhoods, the factories, and the fields, struggling for and defending the conquests of the revolution.

Ortega Speaks to Chilean Sympathizers in Santiago

PA1703042190 Managua BARRICADA in Spanish 16 Mar 90 p 3

[Speech by President Daniel Ortega to leftist Chilean sympathizers at National Stadium in Santiago, Chile on 11 March]

[Text] In September 1970, I was in jail with other comrades. Our jailers did not allow us to read the newspapers—not even the ones published by the Somozas—but we found ways to get a radio and were able to learn of Salvador Allende's election through the people's vote.

We were jail in 1973 when we learned of the brutal coup against the people's will and democracy. Radio reports said that planes were bombing La Moneda [Chilean presidential house] and we pictured President Allende heroically resisting there.

We did not lose our morale. We became indignant and full of courage. We thought and felt certain that the Chilean people would go on winning because it was their will to be free and sovereign.

So many years had to pass for us to be here with the Chilean people. After that came the victory of the revolution in Nicaragua. That day, 19 July 1979, when the victorious people entered Managua, Salvador Allende was there struggling side by side with the Nicaraguan people.

I want to outline some views, but with the understanding that the current international political picture is extremely complex. First of all, we respect political and ideological options. When we won, we Sandinists thought that the time had come to develop a different system to give Nicaragua what had been denied to it by the imperialist domination.

Sandino epitomized the Nicaraguan people's anti-imperialist struggle, the first manifestations of which occurred last century. Sandino advocated not only a struggle against North American intervention, but social and economic change. He did not put a label on his thoughts, but was convinced that to be a true Nicaraguan and Latin American, one had to be anti-imperialist and had to advocate social and economic transformations in favor of the people.

The Sandinist Front picked up Sandino's banners and adopted his still unfinished historical program. So, after victory, we thought that we had to think of a different program for Nicaragua.

We rejected dogmas or schemes with regard to the method of struggle to achieve victory or the model that would be viable for Nicaragua in the Latin American context. We began with three basic tenets: a multiparty system, a mixed economy, and social and economic justice.

Exercising this right, we said: This is the path. And the United States said: That is not the path. Tightly clinging to its imperialistic policy, the United States decided to destroy the Nicaraguan revolution and organized a military, political, and economic onslaught.

You are familiar with this story and its tragic toll of 60,000 victims.

We have been able to defend Nicaragua and the gains attained by the revolution, because this defense was headed by the Nicaraguan people who, armed with their conscience and courage, took up weapons to defend their homeland's sovereignty and territorial integrity.

In 1984, we held elections for the first time in Nicaragua with the participation of seven political parties, while they were taking away, with the war, the real possibility that we had to have a democracy. We did not propose the idea of a single-party model with a monopoly on the media. The result was the victory of the Sandinist National Liberation Front [FSLN], but we have to admit that from the moment that the FSLN vowed to begin a democratic model and hold elections, this allowed the people to freely decide who was to rule them.

It was clearly stated in the Constitution that the natural resources would be Nicaraguan and that the entire Nicaraguan society would have its armed forces, called the Sandinist People's Army and the Interior Ministry.

It is an army that does not belong to any political party, but to the Nicaraguan people. We fought an overall battle to face the aggression, the mining of the ports, and the blockade. The people continue to fight this aggression.

We were interested in ridding Nicaragua of the U.S. blockade and achieving peace. This is why we decided to move the date of the elections up. We are talking about a people that were subjected to the longest aggression in this century.

The U.S. President was committed to destroying the revolution and we kept resisting. We took the case of this unjust war to an international judge and the U.S. policy toward Nicaragua was condemned at the court in The Hague.

We said that if we were invaded, we would continue to defend the mixed economy, the multiparty system, and our nonalignment. That was the biggest fear of the United States. I was not afraid that we would be like the East European countries, because then it would have been easy to fight against people such as the Nicaraguans or the Salvadorans, who have been fighting for peace and democracy.

In 1990, the people had two options. The revolutionary process was not the subject under discussion, the subject was the people. They exercised their right to choose their rulers, a right they had gained for themselves. The truth is that the people's vote succeeded and 40.8 percent voted for the FSLN and 54.7 for the other option.

In other words, the people voted for the possibility that, with the other option, peace—which is what all Nicaraguans are fighting for—can be achieved more quickly. The FSLN fought for the people to have the opportunity to choose and not to remain in power, in the government, against the people's will. The FSLN has always intended to fight for the people's interest, come what may.

What good does it do to remain in power if one does not have the people's support? What lesson on democracy would we be teaching if we were not consistent with our own principles? On the morning of 26 February, I told the people that we had to be prepared to defend the revolution and the people's interests. I told them that we would continue to be the party of the majority and the best. The FSLN built democracy in Nicaragua, not to own Nicaragua, but for Nicaraguans to own the destiny of Nicaragua. We did this with complete certainty that rifles will never be turned against the people.

The government that takes office on 25 April can rest assured, as can many Latin American governments, that there will never again be another military coup in Nicaragua. The humble people, the peasants, and the workers can rest assured that the Army will safeguard the fatherland's sovereignty, it will not turn the cannons against the workers.

I never said that the FSLN would perpetually remain in the government, but that the people would perpetuate themselves in power. That I did say!

Others will say that the Sandinists made many concessions, but if we held elections, it was because we were convinced that we could lose, a new model in Latin America that not only guarantees the existence of democracy, but its development and deepening. It is democratic to constantly question democracy, to refresh, strengthen, and deepen democracy.

The cleanest and most observed electoral process is the one that was carried out in Nicaragua. We have nothing to hide. The reporters said that if we won they would leave, but since we lost they have stayed on to see if we will surrender power on 25 April.

Although it is true that the FSLN suffered an upset in the elections, as a political force that has been the vanguard of the process that led the country to democracy, independence, dignity, and sovereignty, the FSLN is now consolidating the results of democracy. It is not true that the revolution has been defeated, because it has emerged from the elections stronger.

I am preparing to act as the opposition alongside the people when I am no longer president on 25 April. I am a deputy, but I prefer to be in the neighborhoods, the factories, and the countryside. I have told the Nicaraguans that we must consolidate this process, which means the consolidation of democracy in Nicaragua. We must be more creative and imaginative than ever, because we will face new challenges that will be enriching to us as a revolution.

To be a clandestine opposition is not the same as to rule from above. We will now govern from below, and we will defend popular and national interests. The return of Somozism is not sought. The electoral victory does not mean a return of the counterrevolution, that continues to threaten Nicaragua. If the counterrevolution is not disarmed, the new government will also have to confront the counterrevolution, and we will fight as we never did before.

The United States lifted the embargo and offered aid to Nicaragua. We will not be like right-wing extremists who sabotage economic efforts. Resources have not been offered to a certain party, but to all of the people. Nicaragua not only deserves international cooperation, it should be indemnified by the U.S. Government.

We have felt the solidarity of people the world over, we have felt the solidarity of the American people, who have also been murdered by the counterrevolution in our fatherland. I have heard of emotional examples of solidarity, such as Bryan Wilson's, who sat in front of a train that ran over him, and who tells me he feels proud to be one of the thousands of amputees from the war in Nicaragua.

The blood of Chileans, Americans, and Europeans was shed in Nicaragua. I must thank this heroic and exemplary Chile for the manner in which it has displayed its fondness for the Nicaraguan people through me, and I must tell you that today, more than ever, the solidarity of people who defend the cause of freedom, sovereignty, democracy, and independence is indispensable.

The future, it is said, belongs to the people, because the present and the past also belong to them. The revolution should be refreshed, it should be watered with fresh rain; only then will the trees turn green and the flowers bloom, only then will the revolutionary processes be understood. We could talk for hours and hours, but this is not the time to talk. It is the time to act.

This visit to Chile will be unforgettable for me because of the happiness, optimism, and confidence reflected in the faces and in the eyes of the Chilean people.

This night will be unforgettable for me. Therefore, I wish to pay homage to those who were examples of Latin American dignity and who are with us always in Chile, Nicaragua, and Latin America: Salvador Allende and Pablo Neruda. Long live Nicaragua!

Arce Rejects Shared Rule With UNO

PA1703222390 Paris AFP in Spanish 2119 GMT 17 Mar 90

[Text] Managua, 17 Mar (AFP)—Bayardo Arce, member of the Sandinist leadership, today rejected any possibility of co-governing with the future regime of Violeta de Chamorro, but said that the Sandinist National Liberation Front (FSLN) "will not do, as the opposition, the dirty deeds that they did."

In a speech to representatives of the country's teachers, Arce criticized the opposition because, "from the beginning, they attacked, harassed and waged war on us." Nevertheless, he said, the FSLN will support Chamorro's future government "when they do right, but we will fight them politically when they do wrong."

In any case, the FSLN ideologist said: "We are not even considering co-governing with them, and if they offer us a ministry, we will say no. Let them show that they know what to do."

Arce said that his party will soon study the possibility of formally joining the Socialist International (SI), an organization that he described as "the most leftist force in the present international arena."

Arce, deputy coordinator of the FSLN Executive Commission, said that the SI is seeking what is known as democratic socialism, a concept which, he said, "encompasses socialism ranging from that of Sweden to Costa Rica, although the latter has very little socialist content."

Arce described the attitude of the members of the transition team appointed by the president-elect to ensure a peaceful transfer of power as "very positive."

"We have found them to have a pragmatic, mature, and positive attitude; for this reason, the dialogue has been constructive," he added in reference to the negotiations between the FSLN and the National Opposition Union (UNO), the alliance that won the 25 February elections.

Arce said that Chamorro's delegates—Antonio Lacayo, Luis Sanchez, and Carlos Hurtado—"have fully understood our position. They realize that the contras must be demobilized and they can see that we are making every effort to guarantee a peaceful transfer of power" on 25 April.

"We want to turn things over to them with everything in order so they can do the same when we return to again govern Nicaragua," Arce said.

Regarding the matter of the Armed Forces, the Sandinist leader explained that if, as the president-elect claims, 38 percent of the military voted for UNO on 25 February, "then she should feel secure."

Arce acknowledged that the members of the Armed Forces "have every right to their political preferences,"

but he added that this does not mean that those preferences "can be imposed with the instruments that they have obtained from society."

After stating that Chamorro can rest assured that the Armed Forces "are not going to impose anything on her," Arce explained that the commanders, officers, and enlisted men "are from the people and they know what it is to be of the people." However, he warned against the possibility of having members of the contra forces or of the former Somozist guard appointed as military commanders or officers.

"This would be an offense because the first time any of those people gives an order to beat the people, he will be beaten first," Arce said.

Commander Arce Comments on Army, Constitution

PA1803160890 Managua Radio Sandino in Spanish 1848 GMT 18 Mar 90

[Text] Commander Bayardo Arce, vice coordinator of the Executive Commission of the Sandinist National Liberation Front [FSLN] National Directorate, announced yesterday that the FSLN is considering the possibility of becoming a full-fledged member of the Socialist International [SI], pending an analysis of the advantages or disadvantages of such an action. He said that the issue will be discussed by the members of the Sandinist party and that an investigation of the duties and rights the party will acquire as a member of SI is currently under way.

During the installation of the ninth ANDEN [National Association of Nicaraguan Teachers] National Council, Arce said that SI delegates who were in Nicaragua on 26 February proposed that the FMLN join the SI because they believe it could be a powerful force for boosting socialism in Latin America.

[Begin Arce recording] The Army and the Interior Ministry are state organizations created by the Constitution. They have their own Assembly-approved regulations. These regulations are not subject to changes of government either in Nicaragua or Capernaum. Has anyone heard of Collor de Melo requesting that Sarney turn the Army and Interior Ministry over to him, or Leonardo Callejas requesting that the Honduran Army be turned over to him so that he can destroy it, or of Calderon demanding that Arias turn over to him that Costa Rican army, which is called the Civil Police, so he can make it over to suit himself? Or did you ever hear Bush tell, rather, Reagan tell Carter: Look, turn the Army over to me because I am going to change it. This Army is going to be mine.

That does not exist in any system or country. An army is a state institution, and its rules and regulations are approved by the constituent assembly in the constitution. Its members have their own rules of existence and development. No member of the Army can be changed at whim by anyone for political reasons. [end recording]

Among the many issues that Commander Arce broached was the 38 percent of soldiers who, according to Violeta Barrios, voted for UNO [National Opposition Union].

[Begin Arce recording] It is a fact that in the Army there are FSLN members as well as UNO members. Dona Violeta herself says that 38 percent of the Armed Forces voted for her. Therefore, she should feel safe because, in fact, our Army is democratic, because ours is a revolutionary democracy, and apart from military rules, which have to be as they are—strictly professional—the citizens who are in the Nicaraguan Army are entitled to political opinions and preferences, and they have them. This, however, does not mean that they are forced to express their political preferences through the power that society has given them, or to impose their political ideas.

Therefore, Dona Violeta should be at peace, because neither the Army nor the Interior Ministry will impose anything on her. It is the former's mission to defend the fatherland and nation from foreign aggressions like the ones we experienced with the counterrevolutionary forces, and the latter's mission to maintain security, public order, and social stability. The Army and Interior Ministry do not decide policies. The main issue to us is, in the first place, that there must be no tampering with the future of the Army and Interior Ministry. We cannot tolerate attempts at violating or altering this framework of coexistence, which is what the Constitution is. [end recording]

FSLN Leader Warns of U.S. Conditions on Aid

PA1803035790 Managua Radio Sandino in Spanish 1930 GMT 15 Mar 90

[Statement by Domingo Sanchez Salgado, political leader of the Sandinist National Liberation Front, FSLN; date and place not given—recorded]

[Text] We could repeat the old saying: One thing leads to another. I am referring to the reports regarding the conditions that the United States is imposing on Panamanian President Guillermo Endara. These reports suggest that the United States is interested in maintaining its control over the Panama Canal beyond the year 2000 by opposing the Torrijos-Carter treaties. We had already reported the United States interests and intentions regarding those subservient people.

Now the Panamanian president is complaining and tearing his clothes, but he knew what was coming. Like I said before, one thing leads to another.

Undoubtedly, the UNO [National Opposition Union] government gained a victory in the elections. This government is due to take office on 25 April. Naturally, many changes will take place, and we must bear in mind that the United States will try to impose conditions on the UNO government. The fact that the United States will try to impose conditions was demonstrated after a visit to that country by the UNO economic commission and even by Violeta herself. Both were told that the

United States was not ready to offer economic aid to Nicaragua because it did not expect UNO to win.

Now, the U.S. government will ask Congress to give 300, 500, I do not know how many millions [currency not specified] of aid to Nicaragua. However, this delay means that both UNO and the United States will hold talks to determine under what conditions Nicaragua will receive the money.

Furthermore, just as Panama's sovereignty is being trampled upon, if we Nicaraguans are careless, our sovereignty will also be trampled on.

This is the reason why the FSLN, a disciplined and organized entity, should be prepared to face this new situation, even though the transfer of power will take place peacefully. The truth is that once when we learn that the United States wants to impose detrimental conditions on Nicaraguans and our national sovereignty, we will take the lead to fight and win under the organization and leadership of the FSLN.

Godoy Interviewed on Transition Process

PA1603201990 Panama City ACAN in Spanish 1855 GMT 16 Mar 90

[Report by Jose Antonio Maillo]

[Text] Managua, 16 Mar (ACAN-EFE) Vice President-elect Virgilio Godoy today maintained that the Sandinists want to put the new government of Violeta Chamorro in "chaotic conditions" when it takes over power on 25 April.

During an interview granted to ACAN-EFE, Godoy said that the Sandinist National Liberation Front (FSLN) is acting "in bad faith" in the transition and is showing that it "lacks the political will to turn over power under normal conditions."

Godoy, a 55-year-old attorney, said that, by distributing over 40,000 weapons among its militants, the Sandinists are creating explosive conditions and promoting social outbursts to make "difficult—not our assumption of power—but rather our performance."

"They are carrying out dirty maneuvers to generate disorder to say that only they can maintain order and peace," Godoy added.

The Nicaraguan vice president-elect believes that the Sandinists are "fearful because they know that if everything goes well, if foreign aid arrives, they will never succeed again."

"General Humberto Ortega (heading the transition team for the Sandinists) has told us that their militants feel insecure in the face of the National Opposition Union [UNO] followers, so the Sandinists have distributed weapons to their supporters for defense purposes; however, how are the Sandinist supporters going to defend themselves if our followers are disarmed," Godoy asked?.

Among the "dirty maneuvers" the Sandinists are carrying out, Godoy mentioned the "looting" of state property, the destruction of documents, delays in the appointment of technical commissions, and the attempts to paralyze the country with a lack of electricity. "There are state farms from which thousands of livestock have disappeared as if by magic," Godoy maintained.

"Another example is that Nicaragua only has fuel reserves until 28 April" and, "four days after losing the elections," the Sandinists, without telling us anything, suspended the fuel supply contracts they had with Exxon, the vice president-elect said. "Had we not found out about this, Nicaragua would have been put in a very critical condition—we would be paralyzed," Godoy added.

"Another of the many cases that can be mentioned is that our agricultural cycle begins in May, and the current government is now paying debts it has with Honduras for fertilizer, which means that there may not be any fertilizer in May and we could lose the first harvest until we get some fertilizer from abroad, " he said.

Godoy complained that there has been no progress in the talks between the transition teams. "Up until now, the Sandinist delegation has agreed to talk only about the disarmament and demobilization of the contras. However, UNO cannot do anything about that because we have no formal relations with the 'contras' or mechanisms to influence them and cannot force them to lay down their weapons," Godoy maintained.

The UNO leader believes that it is necessary to create commissions, such as the financial commission, "to find out what we have, the extent of our reserves, if we have any;" to create an economic commission "to find out the inventory of the state property" and the regional property; and "to find out what kind of relations exist between the central government and the regional governments."

"The sluggishness to create the various commissions is intended to make us reach 25 April without having accomplished anything. Then, at the last minute, we will have to make political pacts," he added.

Certain that all the abovementioned is part of a plan drafted by the FSLN before the elections were held, Godoy said that the Sandinists want to keep a share of power, "and are fighting to keep a share of power, while we are struggling not to give them any."

Godoy predicted that all loyalty that developed under the shadow of power—because the state was converted into a huge agency to give favors—will disappear with the transition of power."

Regarding his future in the new government, Godoy said that he will be the "substitute for the president."

"They want to appoint me interior minister, but although that is an interesting task I am in favor of eliminating that ministry and reviving the Government Ministry," Godoy concluded.

Group Charges Godoy With Mishandling Funds

PA1703150490 Managua Radio Sandino in Spanish 1221 GMT 17 Mar 90

[Text] Independent Liberal Party [PLI] members who disagree with PLI President Virgilio Godoy have given him a 48-hour deadline—which began yesterday and ends tomorrow—to reach an agreement. Otherwise, they say, they will file a lawsuit against Godoy.

If Godoy does not give a report this weekend, he will be accused before a court on 19 March, of diverting over $80,000 in grants to the PLI's Social Studies and Research Center. According to the dissidents' legal adviser, Mario Gutierrez, the dissidents have given the vice president-elect the entire weekend to contact them and clarify the matter before taking legal action.

[Begin Gutierrez recording] We had thought Godoy was going to find a solution satisfactory to all, but, unfortunately, this has not happened. It has been 18 days since 25 February. We want to express in this document that our tolerance in this case has reached its limit. The extensions we have been granting him to try to settle the problem have been useless, as Godoy has not shown the slightest interest in the matter. That is why we have decided to begin the legal action on 19 March if he does not get in contact with us over the weekend.

Once we file the appropriate legal action, settling this matter out of court will no longer be possible, as the judge who hears the case must follow it through—ex officio—until issuing a final sentence. [end recording]

The legal action against Virgilio Godoy was suspended in December after his rights as deputy were suspended and so as not to hamper his candidacy as Violeta Barrio de Chamorro's running mate. If the legal proceeding against Godoy is begun and a warrant for his arrest is issued, he will lose his rights as a citizen, and this would prevent him from taking office as vice president until the trial ends.

Chamorro Adviser Views 'Joint Government' Effort

PA1703173590 Managua BARRICADA in Spanish 4 Mar 90 p 1

[Text] A political adviser to President-elect Violeta Chamorro has told BARRICADA that a "joint government" could operate beginning on 25 April. The existence of this government, composed of the FSLN [Sandinist National Liberation Front] and UNO [National Opposition Union], "does not necessarily mean that government posts are to be shared."

Pedro Joaquin Chamorro Barrios, who is also one of the sons of the winning presidential candidate, pointed out: "The opposition shares government in every democracy because its participation is essential for democracy to function. My mother already said she will respect the minority, which is considerable in the case of the FSLN. This minority represents not one percent, but 40 percent."

Pedro Chamorro emphasized that his idea of a "shared government" means that the two sides could act together in the National Assembly, "where mature discussions must take place to approve legislation for the good of the majority of Nicaraguans."

Chamorro praised the FSLN's acknowledgement of his mother's electoral victory and it's permitting free elections. "This is, frankly, praiseworthy. Nevertheless, next to this admirable maturity, there is something a little worrisome. It is the threatening tone of the latest Sandinist speeches and their establishing terms for the transition."

The adviser said: "The FSLN must find ways to calm its followers so they can behave maturely, just as President Daniel Ortega did, and admit to UNO's victory."

Regarding the democratic opening in the country, he said there is a good chance it will become even broader. "We have before us the great challenge to keep enlarging this opening and avoid losing the ground we have gained. Positive steps toward reconciliation and the people's civic maturity have also been taken," he said.

He stated that many observers were surprised by the people's high level of civic spirit. "One of them told me a story. A station wagon with a little red-and-black flag was parked in front of a Vote-Counting Board [JRV]. Those standing in line remarked that this was not right. The rumor reached the JRV president, who immediately instructed the electoral policeman to remove the flag from the vehicle."

Chamorro also said that "the FSLN must permit UNO to govern the country so the crisis can be overcome and so UNO can avoid adopting a negative stance and destroying the climate necessary for production. This is why I say we should share the government to come out of the economic crisis."

He also said: "My mother's call for the contras' immediate demobilization, saying that the reasons for fighting in Nicaragua have disappeared," is the new government's contribution to the country's pacification.

Asked to what extent this appeal to the contras has been accepted in the United States, which has been the direct sponsor of the counterrevolutionary struggle, Chamorro Barrios said he did not know. He pointed out, however, that "it is the contras themselves who must accept it. They would show a lack of maturity and much desperation if they refuse this call. The degree of U.S. control on these forces is minimal at present."

Regarding the FSLN's assertion that it will defend the main revolutionary achievements for the benefit of the people, Chamorro said that in projects like the agrarian reform "there are no great disagreements. The only difference is that the new government will grant land title deeds. Peasants can sell their land or do whatever they want with it."

He said that there is disagreement, however, regarding whether the economy should be privatized or not. Chamorro thinks "the state grew too much and does not have the management ability to control many corporations simultaneously."

Pedro Chamorro said that he favors government control only over enterprises of public benefit, such as energy, water, and telephone companies and the banks, because it is not in the interest of the population that the private sector manage those companies.

Chamorro said that Antonio Lacayo participates in the negotiating team of the transition, and he described those contacts as very positive.

He said he was not sure of when the United States would suspend the blockade, one of the economic aggressions that seriously weakened the economic outlook of the country, "but it could come in the first days of April after an orderly and peaceful transition."

Bush's Demobilization Promises Questioned

PA1703190890 Managua Radio Sandino in Spanish 1200 GMT 13 Mar 90

[Station commentary]

[Text] Spokesmen for the new government reported yesterday that U.S. President George Bush met for 25 minutes with President-elect Violeta Chamorro and promised to channel aid to her government. Today, Bush will reportedly announce the lifting of the economic embargo, which was a blockade imposed against the Sandinist Government and in support of the contras on 5 May 1985 by former President Ronald Reagan and then Vice President Bush.

Bush has offered to request a $500-million aid package, $300 million of which would be in the short term to abate the critical problems confronting Nicaragua.

During the Bush-Chamorro meeting, the U.S. President offered to motivate the contras' demobilization in keeping with the Central American presidential accords, although he has avoided complying with the documents signed in Tela, Costa del Sol, and San Isidro de Coronado for a long time.

The economic blockade or trade embargo against Nicaragua was used as an instrument of blackmail, which is typical of the U.S. Government, to destroy the country's economy while the contras were doing the same thing in health centers, production units, and mainly against the people, in view of the defeat of the mercenaries.

Although the promised aid constitutes a show of support and renewed hope in Mrs. Chamorro's efforts, even if it were a donation it would only be the bare minimum needed to compensate for the destruction provoked by 10 years of war, without taking into account the more than 50,000 dead, whose lives, along with the grief of their relatives and the suffering of the rest of the population in the face of the multiple limitations which created this situation, cannot be quantified.

What is serious about this is Bush's offer to only motivate the contras' demobilization when he has been transforming them into an organized force since 1981, when he has trained, led, and financed them until today. Bush is talking about motivating the demobilization of a force over which he has direct influence, a force that he can immediately disarm, relocate, or repatriate in full compliance with the presidential accords that he claims to support so much.

Bush's intentions, by only offering to motivate the contras' demobilization, exposes the two sets of moral values that the U.S. Government is using to cover up its plan to keep alive that rebel force that has followed his orders for more than nine years.

What is important to the Nicaraguan people is the immediate demobilization of those elements that would have disappeared a long time ago without U.S. support, especially because they were defeated, and despite the fact that they carried out terrorist and criminal acts which have only caused pain and death among the people.

Also, Bush's alleged motivation aims to make the international community believe that should the contras not demobilize, they would be outside Washington's control to justify their existance as an armed group and maintain this nightmare in the form of a sword of Damocles over the Nicaraguans.

By leaving the contras intact and armed, Bush is conspiring against the Sandinists' willingness to achieve peace, its 560,000 voters, and national reconciliation, and is imposing the continuation of the war and threatening the new government that it claims to support.

Mrs. Chamorro's administration should promote the contras' demobilization not only to honor its promises to achieve national reconciliation, but to ward off the threat of a parallel army. Since their creation by Reagan and Bush, guardsmen and contras have nursed the ambition of seizing the government. They have never complied with the Central American peace accords, and are now seeking to delegitimize the election of Mrs. Chamorro, because their war justifies their plan to seize power. UNO [National Opposition Union] should not take this threat too lightly.

Nicaraguans are demanding peace. They demanded it through their votes, and the new government has the

responsibility to effect peace for them by firmly demanding that the U.S. Government immediately demobilize the contras.

Cheney Statement on Sandinist Army Criticized

PA1803182790 Managua EL NUEVO DIARIO in Spanish 13 Mar 90 p 2

[Letter "for Mrs. Violeta" from Luis Rocha, Sandinist National Liberation Front member; from the "Second Page" column: "Urgent Meditations"]

[Text] Mrs. Violeta:

No one in Nicaragua can ignore the outlandish statement made recently by U.S. Defense Secretary Richard Cheney. Let us hope that the contemptuous way in which the "angry barbarian" has spoken about our Constitution is not viewed as an example to be followed by some National Opposition Union [UNO] sectors that think that the only constitution that deserves respect is that of the United States, a constitution that those who view us as their backyard perhaps do not even respect.

Mrs. Violeta, according to that barbarian, war is the only solution for Nicaragua. According to an international report, he has shamelessly said that the agreements and commitments reached by the Central American presidents are absolutely worthless. It is not surprising that Mr. Cheney views the commitments reached by "just some Central Americans" as worthless. However, Mrs. Violeta, for us Central Americans and Latin Americans, our word of honor must be valuable, at least to make "angry barbarians" like Cheney understand that we are human beings who can make our own decisions without having to tolerate abuses from an arrogant and ignorant person.

According to this report, "Cheney views the Nicaraguan Constitution, which vouches for the integrity and professionalism of the Sandinist People's Army [EPS], as a simple detail, and insists that the EPS must be disarmed and that the arms and other military equipment must be placed in arsenals under U.S. supervision."

I ask you, Mrs. Violeta, was this the objective of the elections? Will the Tela agreement be placed, together with the arms, under U.S. supervision? Will the documents signed by the Central American presidents go into the garbage dump of history? Will our Constitution be seen by the gringos as "a detail," regardless of who likes it or not? Will the gringos always consider the most sacred chart of any honorable country, its constitution, as worthless paper, or worse yet, as toilet paper? Ruben Dario once wrote in a poem (and I am sure that Pedro [Joaquin Chamorro] always shared his feeling of indignation):

Will we be delivered to the angry barbarians?
Will our millions of people speak in English?
Are there no more noble people and brave gentlemen?
Will we remain quiet now, only to regret it later?

Richard Cheney is the secretary of defense of the world's most powerful country, and he has called our Constitution "a detail." Cheney, like many of us who have evolved, lives in the Stone Age. In his microscopic universe, Richard Cheney has confused the Paleolithic Age with the War of the Galaxies. It is even possible that Cheney, being a good child of Uncle Sam, could be a distinguished member of the Ku Klux Klan.

Not long ago, Cheney, ignoring the Tela and San Isidro Coronado agreements, said that in Nicaragua "all that is needed now to have full national reconciliation is the disarming of the two sides." He was of course referring to the constitutional EPS and to the mercenary contras financed by the United States. I must confess that at the beginning I was angry about Cheney's cynicism and his meddling in our domestic affairs. Later, I told myself that if he was sincere about what he said, then it would be worthwhile to agree with him and to seek reconciliation not only in Nicaragua, but throughout Central America.

In this direction, the two sides in El Salvador and Guatemala, and also in Honduras, Costa Rica, and Panama, should be disarmed. I would agree with "the two sides" being disarmed in Nicaragua as long as the two sides are disarmed throughout Central America. According to what Mr. Richard Cheney has said, a Central American reconciliation would serve as a good model for initiating a reconciliation process in Latin America.

Luis Rocha

Soviet Official Views Expiration of Agreements

PA1803202790 Managua BARRICADA in Spanish 16 Mar 90 pp 1, 5

[Report by Roberto Fonseca]

[Text] Vasiliy Voinov, chief of the Soviet trade mission, disclosed to BARRICADA that the intergovernmental agreement on free oil and food supplies expires this month, and therefore Violeta Chamorro's new government must immediately initiate efforts to overcome this considerable diplomatic challenge.

In an exclusive interview, Voinov outlined that over the past three years the USSR has supplied Nicaragua with 300,000 tons of oil for the productive apparatus. Nevertheless, he said, this triannual agreement expires in the first quarter of 1990.

"According to the agreement's schedule, the final oil shipment will be made in March," said the chief of the Soviet trade mission. Nicaragua's access to oil and oil by-products for the rest of the year will become a critical issue because Cuba recently announced that it will suspend the shipment of 90,000 tons of oil due to its "difficult domestic economic situation."

According to local analysts, if Mrs Chamorro's new government does not immediately seek an oil agreement with Venezuela or Mexico, it will be forced to spend over $100 million to ensure the functioning of the country's productive apparatus.

Voinov assured BARRICADA that, in the immediate future, continued USSR oil shipments will depend on the bilateral trade negotiations the new government establishes with the Soviet authorities. "The new government must make a formal request to which we will respond in accordance with our possibilities," he said.

The USSR would also consider payment or settlement terms, he said, because "the Soviet Union does not have an oil surplus and oil is a product that generates foreign exchange." Considering these two conditions, Voinov said, volumes and deadlines would have to be discussed. "The Soviet Government will decide whether or not new terms of payment or settlement must be established."

Just like oil, the free food aid the USSR had been giving Nicaragua also expires in the first quarter of 1990. Last year the total donation amounted to $60 million.

"We are carefully completing the free aid supplies," which, in 1990, will include 25,000 tons of wheat, an equal quantity of rice, 2,000 tons of flour, one ton of animal food, and an unspecified amount of canned meat and fish, Voinov said.

Following the announcement of Violeta Chamorro's electoral victory, the Soviet Government sent an official message to the president-elect congratulating her on her triumph and confirming its resolve to cooperate with her government. "This means we are willing to send free food to Nicaragua, but it must be formally requested," Voinov said. To date, he confirmed, no request has been made.

The lines of credit for industrial raw material, farm machinery, replacement parts, and other production requirements will also expire this year, and for them to resume, the chief of the trade mission said that it will be necessary to begin amortizing the foreign debt in accordance with last year's plan.

At the USSR-Nicaragua joint commission's fifth meeting in November 1989, the two countries "discussed the need to start amortizing the commercial credit debt." According to the schedule agreed upon, payments must begin in 1991, although the amount of the payments and the period within which they are to be paid was not specified.

Voinov officially denied a report that the USSR had partially or totally waived the Nicaraguan debt, saying that the report "was an invention." He reiterated that amortization of the debt must begin as of next year, and pointed out that the new government had already been informed of the situation and had pledged to comply.

Voinov refused to specify the amount of Nicaragua's total debt. Nevertheless, he said that Nicaragua's lines of credit were equivalent to approximately $200 or $300 million annually (in this decade). "This figure is equivalent to the debt incurred with the Western countries," he pointed out. Unofficially, the total is estimated at approximately $3 billion.

Voinov did not dismiss the possibility of having part of the debt paid off with national products, but he said that most of it must be paid in convertible exchange. "These issues must be officially discussed with the new government," he said, explaining that this includes the military aid assigned for the country's defense. "Whether or not the debt is recoverable will depend on our government," he said.

Estimates indicate that more than 80 percent of the tractors in Nicaragua are Soviet-made, and there is a similar proportion in the vehicles, airplanes, and construction equipment in the country. To guarantee the length and usefulness of the machinery's life, it will be necessary to import replacement parts on time, and according to the trade mission representative's estimates, that would be equivalent to a line of credit of $50 million yearly.

"We are willing to continue sending the supplies, but this must be done under advantageous conditions for both sides," said Voinov.

Report on Future Government Posts, Structure

PA1803132390 Managua BARRICADA in Spanish 15 Mar 90 pp 1, 6

[Report by Guillermo Cortes]

[Text] The UNO [National Opposition Union] Political Council expects that the new government's cabinet posts will be held by members of the 14 political groups that comprise UNO, Gustavo Tablada, secretary general of the PSN [Nicaraguan Socialist Party], has stated.

"We hope to hold the heart of the government structure and let the technocrats have the rest," Tablada said, adding toward the end of the interview that a combination of a politician as a minister and a highly qualified professional as a vice minister could be arranged.

The composition of the government cabinet is not in the hands of the Political Council, he acknowledged, but rests with President-elect Violeta Chamorro (who has no party) and her advisory team led by Engineer Alfredo Cesar of the PSD [Social Democratic Party]. Tablada noted that there is a third contender in the scramble for government jobs; namely, COSEP [Higher Council of Private Enterprise], an organization that has taken for granted the appointment of several ministers, including the minister of economy, industry, and commerce.

In fact, COSEP feels the Economy Ministry is one of the ministries that must be under its control, as well as the institutions that handle land reform, cooperatives, education, and health, among others.

Referring to COSEP's intentions, Tablada said that "we are going to consider the qualifications of some of the candidates proposed by them and where they can serve, but we must also consider the candidates proposed by Chamorro and her advisers."

He disclosed that a working commission is drafting a proposal on the structure and functions of the new government, which also contains the names of future ministers, vice ministers, and directors of autonomous institutions. Chairing that commission is Vice President-elect Virgilio Godoy Reyes of the PLI [Independent Liberal Party]. Five or six other persons are in that commission, including Eduardo Rivas Gasteazoro of PAN [National Action Party], Miriam Arguello of the PAPC [Popular Conservative Alliance Party], and Agustin Jarquin of the PDCN [National Democratic Confidence Party].

The commission is planning a government structure made up of 12 to 14 ministries, some eight to 10 institutions, and three commissions with special duties, which would be smaller than the current government apparatus.

Tablada did not indicate what will happen to public employees who will lose their jobs with the reduction in the government, but he did say that no one who meets the standards of years of service, efficiency, and honesty will be dismissed, including employees of certain rank, according to the civil service law.

It was unofficially reported that Godoy's commission decided that the cabinet should primarily consist of politicians who stayed in Nicaragua the past nine years, opposing the Sandinist regime. This decision means that those who left Nicaragua and returned recently to support UNO will be pushed back to a second or third level, as it is understood that those persons who made the most sacrifices to achieve the civic victory on 25 February should be favored.

There are diverging views within the commission studying the structure of the new government on the Economy, Industry, and Commerce Ministry (MEIC), since some feel that it must remain as is while others think it must be split into three ministries.

There are also those who feel that the Justice Ministry must disappear and the Supreme Court of Justice should perform its duties. Others want to strengthen that ministry, especially those who think that the Court's justices are biased toward the Sandinists.

The aforementioned commission is recommending the creation of institutes similar to the former autonomous entities. This is something that could apply to INSSBI [Nicaraguan Social Security and Welfare Institute]—"the security" as it was known during the Somozist regime—with the idea that it returns to its former function of providing medical care to insured persons.

Tablada argued that if INSSBI receives money from employees, employers, and the government, it must use those funds to set up clinics, polyclinics, and hospitals for the exclusive care of the "insured" sector of the population.

Reportedly there will be an institute for women and children and one for land reform, thus separating the issue of land reform from the Agricultural Development Ministry. The INAA [Nicaraguan Aqueducts and Sewage Institute] and INE [Nicarguan Energy Institute] will remain as institutes, as will the Culture Institute.

The commission is also considering setting up an institute to provide attention to the municipalities and the community, whose sole duty will be to train the municipal councilmen who, according to Tablada, are not prepared to perform the duties required by the municipal councils.

One of the most important commissions the new government may establish will deal with cooperatives. The PSN secretary general feels it is not right for the Labor or Agricultural Development Ministries to handle this sector.

Another commission will handle science and culture. First it will take an inventory of the professional and specialized resources available in the country, and then it will promote professional training and the rational use of scholarships that may be received from abroad.

A supreme commission on the economy would also be created, made up of government and private enterprise representatives. That commission would be a forum for consultations where commitments among the different economic sectors could be established.

Tablada said that no commission is studying the Supreme Electoral Council, and explained that this entity could be kept as a branch of the government with permanent duties, not just duties during the electoral periods. It could take over the duties of taking statistics and the census, registering citizens, and preparing for the next elections.

Although the Political Council has made progress in the composition of the new cabinet, he said "that so far no official proposal has been made to the president on the ministers' names."

Tablada said that the COSEP announcements that such and such a person was appointed minister are not true, and only show the COSEP's interests. These persons may or may not be ultimately appointed.

The commission chaired by Godoy will submit its proposal on the cabinet soon, Tablada announced, pointing to the influence the Political Council has in the appointment of ministers, although he admits the final decision is up to the president.

"The important thing is that the most qualified persons are sought, because this is no game," the PSN leader

noted, especially considering the economic outlook, which he feels is not encouraging.

He felt that there will not be much economic and material aid from abroad since "it will be modest, if we get it. In view of this, we must stretch Nicaragua's own human and intellectual capabilities and geographical and climatological possibilities."

Tablada noted that "some feel that the problems will be solved because of the arrival of millions of dollars, but that is wishful thinking. Therefore, we must use the little aid we do get in an efficient manner and taking into consideration our own potential."

Dr. Tablada said that it will be necessary to wait for the return of Dr. Francisco Mayorga (independent) to see the results of his tour and to start working on his proposal to eliminate inflation "in a few weeks" and stabilize the economy "in 100 days."

Tablada also said that UNO is now in a restructuring phase that begins with the dissolution of all the election-related structures at all levels. The members of those structures will now return to their respective parties.

Tablada said that departmental UNO committees will be restructured soon because, he said, "we have many last-minute UNO members, who became members of UNO on 26 February."

He said that legally speaking the UNO electoral alliance expired on 25 February, but its members, as a government coalition, are interested in maintaining that name, and for this reason a team of attorneys composed of Hernaldo Zuniga, Adolfo Garcia Esquivel, Frank Duarte, Julio Icaza Tijerino, and others are working on a proposal. It is possible that the coalition may adopt the name of Organized Nicaraguan Union (UNO).

The coalition has created a commission that will serve as liaison between the Political Council and the president's adviser team, which is composed of Roberto Urroz (Nicaraguan Democratic Movement) and four other persons. The objective of this commission will be to establish communication between the two entities.

There is a parliamentary commission composed of Gustavo Tablada, Jaime Bonilla (Independent Liberal Party), Allan Zambrana (Communist Party of Nicaragua—PCdeN), Rodolfo Mejia (Liberal Constitutionalist Party), and others, which is designing new statutes and regulations for the National Assembly and has requested an audience with the secretary of the Nicaraguan Parliament, Dr. Rafael Solis, "to initiate the transfer of power in the legislative branch."

Dr. Tablada has admitted that there is a movement that wants to nominate him as a candidate for the presidency of the National Assembly and that he is in a position to accept such a nomination.

He said: "From a personal point of view, I would like that very much. For the time being this is only a wish, a matter in which some friends are interested. We have not made any progress in those negotiations. The decision will be the product of a meeting with all the organizations, including the Sandinist Front."

Tablada said that the struggle for the presidency of the parliament could be difficult because there are already four other candidates for that position: Alfredo Cesar, Miriam Arguello, Cairo Manuel Lopez, and Adan Fletes.

Tablada noted: "The five candidates will have to be discussed by UNO's Political Council, which will determine who has more supporters. The council will also have to determine the composition of the directorate of the National Assembly."

The decisions to be adopted by the Political Council, he said, "must have the support of all the parties." Regarding his own party, the PSN, Tablada said that, like the others, it would like to direct several ministries, including the Labor Ministry.

UNO's government program—which Dr. Tablada said is not the blue and white program proposed by COSEP—considers the concerns of parties such as the PSN and the PCdeN, which have influence in the Nicaraguan Labor Movement, and of labor unions represented in the Workers' Permanent Congress.

Some concerns of the workers are free labor unions, the right to strike, worker participation in enterprises, labor union democracy, Labor Code changes, etc. Tablada said that the new government is considering all this and that the PSN is committed to working in favor of the workers' interests. The PSN's position will depend on time and circumstances.

Amendment to Civil Service Law Approved

PA1803175790 Managua BARRICADA in Spanish 14 Mar 90 pp 1, 6

[Text] Yesterday, by a majority of votes, the Nicaraguan National Assembly approved President Daniel Ortega's amendment to the civil service and administrative career law. The presidential amendment improved the law, since it now grants more guarantees to public employees. The only person who abstained during the voting was Communist Deputy Allan Zambrana, who did not give any explanation for his decision.

According to Article 52 of the National Assembly general statute, the assembly plenum may only discuss a presidential amendment to a law in general terms; in other words, without discussing the details of the amendment. Out of 70 deputies present at yesterday's session, only Zambrana abstained.

Public employees throughout the country will study and discuss the civil service and administrative career law to become familiar with their new rights and guarantees. The presidential amendment guarantees the employees'

participation—through their representatives—in the activities of the state enterprises and in public administrative policies.

According to the amendment, two employee delegates to the Civil Service and Administrative Career Commission will take care of second appeal [en segunda instancia] dismissal cases, of organized and union employees' claims, and of various conflicts that may arise between an enterprise's general directorate and other public administration organizations.

Yesterday, the National Assembly plenum also approved the Law of Recognition of Labor Benefits for deputies who will cease occupying their assembly seats. Through this law, the legislators who leave their seats on 23 April will continue receiving the benefits they should legally receive until January 1991, a payment corresponding to one month of salary for each year of service based on the latest salary figure.

President Ortega's amendment introduced various new articles to the civil service and administrative career law that was approved last December. Among others, the amendment specifies that the law covers the state's administrative, institutional, local, judicial, legislative, and electoral personnel, as well as employees from autonomous institutions, civil services, defense and security services, the national school system, the national health system, and the state enterprises.

Similarly, the amendment allows employees to participate in the adoption of public administrative policies and in the creation of norms regulating and implementing administrative personnel policies. The amendment allows labor unions to present lists of three candidates who will run for the posts of delegates to the Civil Service and Administrative Career Commission. (The responsibilities of these delegates include taking care of second appeal dismissals and claims presented by organized and union workers, as well as working out problems regarding labor union work contracts.)

The presidential amendment also says that public service employees will be hired based on their ability or merit, and will not be discriminated against in terms of age, sex, color, religion, or political leaning. The amendment also establishes a regular work week of a maximum of 40 hours.

Included among the workers' rights in this law are: fair and respectful treatment, a fair and equitable retirement pension in accordance with the law and the other benefits and payments established by the social security system, and privileged access to housing projects and to government loans for houses or basic needs. The law also includes the right to form unions, the right to have labor union regulations, the right to conduct labor union negotiations, the right to strike, and all other labor union guarantees legally granted to workers in general.

The law also entitles workers to receive seniority benefits and payments for their years of service, corresponding to no less than two months for every year of service. Workers are also entitled to participate in the public administration through their labor unions and to be informed about the budget drafted by the national directorate at least 15 days before it is sent to the presidency.

The law clearly stipulates that any removal that does not conform to the established procedures will be void.

So workers can fully familiarize themselves with the law, and because this law has become "a particularly important instrument to deal with the new government," the National Employees Union [UNE] will initiate a number of workshops in the next few days.

The Assembly's Labor Commission examined and expressed a favorable opinion on a bill introduced by 14 opposition parliamentarians whereby they would collect their salaries once they cease carrying out their functions. The opinion, however, was opposed by Dr. Carlos Tunnerman, who argued that "there is no legal basis for an acquired right if a public law standard stands in the way." Instead, he advocated a recognition of labor benefits based on the number of years of service.

The opinion provoked a general discussion among all of the representatives. Although they recognized the fairness of the measure because the legislative term was cut as the result of holding the elections ahead of time, they also wanted to make the measure as legal as possible to prevent the interested members of the new government and their media from arguing that the legislators are now serving themselves with the big ladle.

"Such is not the idea," said Deputy Guillermo Mejia of the Social Christian People's Party [PPSC]. "The idea is to justly recognize the services of those of us who for more than five years have been earning salaries lower than those earned by legislators in other Central American countries." Peasant Leoncio Rayo added: "We have sacrificed ourselves for the people and the homeland. We never demanded higher salaries because we were aware of the country's economic difficulties." Sandinist Deputies Orlando Pineda, Jose Maria Ortiz, and Jaime O'Neil also defended the legislators' rights to receive their labor benefits, "because most of us do not have another income or business on which to survive."

Another logical reasoning, shared by the opposition deputies, was that a legislator is just another worker and that, as such, he is entitled to receive his labor benefits when he ceases in his functions and before his labor contract expires.

PPSC Deputy Ramon Arbizu criticized LA PRENSA and some radio stations "which have irresponsibly been staging a negative campaign regarding alleged decapitalization of enterprises and abuses in state institutions."

Some deputies let themselves be carried away. Such was the case with Daniel Brenes, member of the Conservative Party of Nicaragua [PCDN], who, showing the embers of an old quarrel among fellow party members,

said he would not receive the money, "so nobody will be able to say I am an FSLN collaborationist. If I must receive the money, I will give it to the old people's home in Rivas."

As part of this feud among old Conservative Party members, Cesar Augusto Castillo showed the assembly a letter from the PCDN National Executive Council fully supporting him as legislator, surely alluding to the accusations leveled at him by his fellow party member Clemente Guido on 10 March.

Finally, the measure under discussion favors all those who in the recent elections were not elected to any public post. The decision authorizes the executive branch to amend the general budget or use other sources of income to enforce this measure.

The assembly also granted legal status to a number of associations, foundations, and civilian organizations during yesterday's session.

The plenum will meet again on 15 March to learn of the decision on the return of real estate properties and legal status of organizations, among others.

Contra Military Activity Said 'Paralyzed'

PA1803192290 San Pedro Sula LA PRENSA in Spanish 12 Mar 90 p 15

[Report by Rosa Morazan]

[Text] Yamales, El Paraiso—The military activity of 7,000 "contras," who are stationed in Honduran territory and are willing to return to Nicaragua or continue their armed struggle should the new government negotiate power quotas with the Sandinists, is paralyzed.

The above is the criterion of several members of the Nicaraguan Resistance, RN, whose faces reflect the hope of returning to their fatherland should President-elect Violeta Barrios de Chamorro give them the necessary security guarantees.

At times they are pessimistic, because they believe that Daniel Ortega Saavedra, leader of the Sandinists and current Nicaraguan president, will not subordinate himself to the new government and this could provoke a "civil war."

In 1980 Ortega became his country's top leader after defeating Anastasio Somoza. An opposition to the new government emerged and RN members began to station themselves in Honduras to fight the Sandinists. The U.S. Government offered aid to the "contras" and this was not taken well by the Ortega Government, which on several occasions denounced the U.S. Administration's "malicious support" and the Honduran authorities' position of allowing the RN presence. The contra combatants were not able to defeat the Sandinists, but their fate changed in late February after the victory of Violeta Barrios de Chamorro, the National Opposition Union, UNO, presidential candidate in elections supervised by nearly 2,000 international observers.

Since then, Hondurans have been optimistic that the anti-Sandinists will leave their country. However, while UNO and RN authorities have already met to discuss demobilization, there is no agreement yet because the combatants demand the dismantling of the Sandinist People's Army, EPS, which Ortega refuses to do.

The contras are training, relaxing, and cleaning up the Yamales camp in El Paraiso, less than 40 km from the Nicaraguan border, because there are no longer any military clashes to keep them busy.

Citing "orders from above," many of them refused to comment. However, those who did dare to comment said that they are willing to return to their fatherland should the new government offer the necessary guarantees, especially the dismantling of the EPS.

Although the commanders have refused to give details about the guarantees they are demanding before they would demobilize, RN rank and file members revealed a few of them.

As of now, it could be argued that the return of the 7,000 contras stationed in Honduran territory will not take place before 25 April, the date of the presidential transfer in Nicaragua.

Supposedly, guarantees cannot be offered before the new government is installed, because power is currently in EPS hands.

Those interviewed said that their commanders have warned UNO not to negotiate power quotas with the Sandinists, because if it does, the RN would "not surrender its weapons and would fight until it achieves Nicaragua's democratization."

The anti-Sandinists will wait for the actions of the new authorities to determine whether they are able to subdue the EPS. In the meantime, talks and negotiations continue, but there is nothing specific yet about the demobilization, because there is still uncertainty over whether the Sandinists will surrender power or continue to cling to part of it.

Panama

M-20 Leaflets Announce New Attacks on U.S. Soldiers

PA1703001790 Panama City ACAN in Spanish 2219 GMT 16 Mar 90

[Text] David (Panama), 16 Mar (ACAN-EFE)—An alleged Panamanian guerrilla group called "20 December Movement (M-20)" has claimed responsibility for several attacks against U.S. soldiers and announced new attacks, according to leaflets circulating today in David, near the Costa Rican border.

Threats of future attacks involve Costa Rican President Oscar Arias and Panamanian President Guillermo Endara. M-20 describes both of them as "Yankee embassy agents."

The leaflets state that M-20, avenging the 20 December U.S. invasion, downed two U.S. helicopters along the Atlantic coast, on an unspecified date, killing 30 soldiers. The group also claims to have attacked a capital city bar on 2 March. The grenade attack against the bar killed a U.S. noncommissioned officer and injured 15 U.S. soldiers and 14 Panamanian civilians.

U.S. authorities so far have not reported any attacks against helicopters along the Atlantic coast, but reported an accident involving two similar aircraft in the Darien jungle in eastern Panama in February in which 11 soldiers were killed.

"It was not an accident as they have reported," stated the alleged guerrilla group that had already announced its emergence over the past few weeks through anonymous calls in the capital.

The leaflets announce that "the armed struggle will begin on 15 March in Chiriqui," a province bordering Costa Rica, the capital of which is David. This is where Endara will inaugurate a commercial and agricultural fair today. Endara invited his colleague Oscar Arias to this fair. The leaflets say: "We will not take responsibility for whatever might happen at the fair; we will attack anything in our path, especially U.S. concerns. We will avenge our dead. Any soldier we see in civilian clothes or uniform will be executed."

"We will do a similar thing to those who applauded the cowardly aggression," the alleged guerrilla group states.

"Our main objective is anything that smells of gringo. We urge Panamanians not to hang around them to avoid being at risk," the leaflets state. They also threaten to attack any vehicles displaying "homosexual 'Just Cause' stickers."

"Just Cause" is the official name of the December invasion during which hundreds of Panamanians were killed. The invasion was aimed at toppling and capturing General Manuel Antonio Noriega, former head of government, who is currently facing two charges of drug trafficking in Miami (United States).

Arrests Ordered

PA1703021190 Panama City Circuito RPC Television in Spanish 2342 GMT 16 Mar 90

[Text] The arrest of Dr. Manuel Pardo and Architect Mario Gonzalez has been ordered. They are being charged with inciting rebellion against the government and threatening citizens if they attend David's San Jose Fair.

At a news conference, Emilio De Leon, first prosecutor of the Third Judicial District in Chiriqui Province, said: [Begin De Leon recording] Honorable Representative Rosendo Antonio Botello Candanedo went to the Third Judicial District's First Prosecuting Office to report that Dr. Manuel Pardo and Architect Mario Gonzalez were distributing leaflets inciting rebellion against the government and threatening local and foreign citizens who would attend David's International Fair. They were using a vehicle with a sign on the windshield that said: Spirit.

Consequently, we have declared open the investigation to establish who is responsible for these wrongdoings. We received a report from Botello, a corregimiento representative of Pedregal, who attached four leaflets to his report. He obtained the leaflets when these gentlemen were throwing them out of the window of the car in which they were riding.

Thus, Botello presented charges against Pardo and Gonzalez who were distributing leaflets on Wednesday, 14 March. These leaflets contained threats against nationals and foreign citizens. They also called for acts against the state, something that is banned in Chapter 2, Paragaph 10, and Book 2 of the Penal Code.

The punishable act was duly recorded with the report presented by Botello and backed by the four leaflets he presented to support his charge. The contents of the leaflets clearly show that threats were made and that violent acts against the Panamanian state and its personalities were being promoted.

The suspects' involvement was proven with the incriminations provided by Botello. In light of this situation and since this criminal act is punishable with a prison sentence, the undersigned first prosecutor formally decrees the preventive arrest of the aforementioned Manuel Pardo and Mario Gonzalez as suspects for the act we have discussed. Therefore, pertinent orders are hereby being issued to the Public Force and the Judicial Technical Police. [end recording]

Distributor Arrested in David

PA1703161090 Panama City LA ESTRELLA DE PANAMA in Spanish 17 Mar 90 p A-1

[Text] David (Panama), (ACAN-EFE)—A man was arrested yesterday in David, a city in western Panama, for distributing circulars in which an alleged guerrilla group announces attacks against U.S. citizens. Arrest warrants have also been issued against two other men, including a member of the People's Party of Panama (communist PdP).

Official sources identified the arrested man as Samudio Bonagas and said that Dr. Manuel Pardo and Mario Gonzalez are sought for distributing pamphlets of the "20 December Movement (M-20)," named after the U.S. invasion on that date.

According to Roberto Botello, corregimiento representative, the circulars were apparently printed by a "radical

branch" of the PdP, which was part of the government alliance that supported overthrown dictator Manuel Antonio Noriega.

Botello said that he saw several of them fall from the vehicle owned by Pardo, a PdP member, and that he brought suit against him for "attempts against state security."

Emilio de Leon, a David prosecutor, confirmed that the judicial investigation has been initiated and that arrest warrants have been issued.

The "M-20" circulars claimed credit for several attacks against U.S. soldiers and made threats against Costa Rican President Oscar Arias and Panamanian President Guillermo Endara, whom it described as "officials of the Yankee embassy."

The "M-20" claims to have downed two U.S. helicopters on the Atlantic Coast on an undisclosed date, causing the death of 30 soldiers. They also claimed to have perpetrated the attack against the "My Place" bar in the capital on 2 March.

The grenade attack against the bar caused the death of a U.S. noncommissioned officer and wounded 15 U.S. soldiers and 14 Panamanian civilians.

Thus far, U.S. authorities have not reported any attacks against helicopters in the Atlantic Coast, although they did report an accident of two aircraft of this type in the Darien jungle in eastern Panama in February in which 11 soldiers were killed.

"It was not an accident as they have reported it to be," states the guerrilla group, which had already announced its appearance during the past weeks with anonymous telephone calls in the capital. Panamanian Vice President Ricardo Arias told newsmen yesterday that "there is still not enough information" on the bar attack to affirm that it was the work of a "pro-Noriega" guerrilla group or to support another claim that it was the result "of a conflict between drug traffickers."

The "M-20" circulars announced that "the armed struggle will begin on 15 March in Chiriqui," a border province with Costa Rica, whose capital is David, where Endara will inaugurate a commercial and agriculture-livestock fair tonight to which he invited his colleague Arias.

"We cannot be held responsible for what happens at the fair," the circulars say. "We will attack everything we find in our way, especially U.S. properties. We will avenge our dead. Any soldier, whether he is in uniform or dressed as a civilian, will be killed."

"Our main objective is anything that smells of gringo. We will ask the Panamanians not to be seen with them, because they will be in danger," the "M-20" states, also threatening to stage attacks on vehicles that have "homosexual Just Cause stickers."

"Just Cause" was the name of the official invasion in which hundreds of Panamanians were killed, and whose primary objective was the overthrow and capture of the then head of government Manuel Antonio Noriega, who is now facing a trial for drug trafficking in Miami in the United States.

PRD's Duque on Noriega Case, Party Plans

PA1703003490 Panama City EL PANAMA AMERICA in Spanish 15 Mar 90 p 16

[Report by Juan Pritsiolas]

[Text] Carlos Duque, president of the opposition Democratic Revolutionary Party (PRD), said on 14 March that the drug trafficking charges being pressed in the United States against ousted General Manuel Antonio Noriega are so "superficial" that "no jury will be able to condemn him."

Duque held a news conference yesterday to announce a PRD National Directorate meeting on 2 June. He said that his only tie with Noriega is their friendship and that he expects a favorable ruling for the former Panamanian strong man when he faces the Miami prosecutors, who have filed charges for alleged drug trafficking, in 1991.

Duque, who was also a presidential candidate during the previous regime, revealed that there are plans to reorganize all the PRD organizations, including the National Committee, if the party directorate members approve it.

Carlos Duque, who claimed for the PRD 15 Legislative Assembly seats that had apparently been won by the party's candidates in the 1989 elections, ruled out the possibility that new presidential elections will be held because the country "is not prepared" to hold them. However, he issued an appeal to President Guillermo Endara, urging him to strengthen democracy and issue a general political amnesty with the intention of achieving national reconciliation.

It was unofficially learned that Ernesto Perez Balladares, Mario Rognoni, and Gerardo Gonzalez have hopes of becoming PRD president.

The high-ranking PRD directorate board member also criticized the "political persecution" being withstood by journalist Escolastico Calvo Murillo and former Legislator Rigoberto Paredes, who—in his opinion—are under arrest even though no one knows what charges have been filed against them.

Arias Discusses Chorrillo Refugees' Protests

PA1603174090 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Mar 90 pp A1, A212

[Report by Claudio Herrera J.]

[Text] Government and Justice Minister Dr. Ricardo Arias Calderon yesterday said the national government will not permit the closing of roads, adding that he

considers that the protests at the Bridge of the Americas were staged by "a small sector which, in my opinion, is used strictly for reasons of sectarian politics." Arias Calderon was interviewed after he concluded a meeting with Christian Democratic Party [PDC] legislators at the party headquarters on Peru Avenue. The vice president also discussed with legislators the legislative strategy the PDC intends to carry out.

Arias Calderon attributed the incidents at the Bridge of the Americas on 13 March to "a small sector of the El Chorrillo refugees." He called the interruption of traffic inadmissable at a time when a large number of Panamanians were returning to their homes.

The vice president said he held a meeting with the refugees when he went to visit them for the first time. In addition, he added, the refugees have held various meetings with Housing Minister Raul E. Figueroa.

"At these meetings, the refugees were told what can be done for them, which is more than is being done for other sectors of the population, because we admit they have suffered," he pointed out.

Arias Calderon said that most of the El Chorrillo refugees are cooperating with the housing plan established to assist them.

He added that a small group, used strictly for sectarian political reasons, is trying to create problems and, in the case of the Bridge of the Americas incident, to create problems for the majority of the Panamanians who travel to Arraijan and La Chorrera after work.

The vice president maintained that the government will not permit this kind of action, "because we are solving problems as much as possible." He added: "We will not permit small groups, headed by some people who seem to be instigators, to create problems for the rest of the population."

"We will rescue tranquillity in democracy. We will act with determination and we will pay attention to the real necessities," he concluded.

In statements on 14 March, the day after the protest at the Bridge of the Americas, Housing Minister Raul E. Figueroa said he considers that one of the elements that influenced the refugees' protest was a report published in a newspaper printed in the canal area saying the refugees were going to receive a 12,000-balboa donation for their new houses.

The so-called "Committee of El Chorrillo War Refugees" rejects the solution proposed by the national government, which includes a $6.5-thousand donation to each affected family. The commmittee considers the sum insufficient.

Government Announces Budget of 2 Billion Balboas

PA1703171790 Panama City EL PANAMA AMERICA in Spanish 15 Mar 90 p 1

[Report by Juan Pritsiolas]

[Text] Deputy Planning Minister Jose Galan announced yesterday that the government's budget for 1990—which includes the central government and independent agencies—totals 2 billion balboas.

Galan, who met yesterday with the Budget Commission of the Legislative Assembly, told EL PANAMA AMERICA that the income and expense projections for 1990 reflect an "increase" compared to the 1989 budget figures. Last year, the government's actual expenses totalled 936 million balboas.

The official said that the budget, which the executive branch will send to the Assembly next week, was drafted "seriously, responsibly, and with a due balance" between revenues and expenditures. He announced that current revenue projections are higher than the 578.4 million balboas collected during 1989.

Galan noted that there will be increases in the social areas of health and education and that the largest budget cuts will be in the Government Ministry's budget, more specifically in the appropriations for the Public Force. The budget also takes into account the need for independent agencies to assume responsibility for their own expenses.

Regarding the foreign debt, Galan said that the subject will be discussed in due time. He said it involves "various components and elements" and a "scale of priorities." He dismissed the previous government's plan to meet its commitments to credit institutions through agreements that called for the dismissal of 25,000 public employees.

Galan said that Panama is currently suffering the effects of a previous incoherent policy, the squandering of public resources, and increasing indebtedness. It is also enduring the "effects" of a political crisis that lasted three years and worsened because of the events of 20 December. The crisis resulted in losses of 2 billion balboas.

He said that the political problem was solved, but this does not entail an automatic solution to other problems such as the foreign debt, the dearth of fiscal revenues, and unemployment.

The deputy planning minister stressed that it is necessary to stop the central government's "cannibalization" of funds of the independent and semi-independent agencies. The central government used the funds they had on deposit at the Banco Nacional, keeping the agencies from using those funds to solve their equipment maintenance

problems. Victims of this practice were the Social Security Fund, INTEL [National Institute of Telecommunications] and IRHE [Institute of Hydraulic Resources and Electrification], Galan added.

Deputy Milton Henriquez, president of the Budget Commission, said that the income and expense projections have been drafted with "austerity" in mind, and that the budget only takes into account loans on which there are concrete commitments.

Galan disclosed that the budget may be approved by the Legislative Assembly within two months. He said that it calls for a 30-percent reduction in the monthly salaries of legislators and a 60-percent cut in the allocation for hiring support personnel.

The legislators' salaries will be reduced from 7,000 to 5,000 balboas. The allocation for the appointment of support personnel will total only 1,500 balboas. It was previously 4,000 balboas.

Country To Rejoin Caribbean Basin Initiative

PA1803044190 Panama City CRITICA LIBRE in Spanish 14 Mar 90 p 6

[Text] The visit to Panama of a C/CAA (Caribbean Central American Action) mission and the Federation of Central American and Panamanian Private Sectors has concluded with an intense program that included meetings with state ministers and the private sector. The meetings were held at the Marriott Hotel.

The group of nine high-ranking government officials visited the president of the Republic, Guillermo Endara Galimany.

Seeking to strengthen relations between the private sectors of Panama and the Caribbean Basin, the group discussed the importance of stimulating interest in export possibilities under the Caribbean Basin Initiative (CBI) and a new legislature. In addition, it was announced that Panama would be readmitted to the Caribbean Basin Initiative on 17 March.

The distinguished visitors held a number of meetings that were attended by U.S. Ambassador Deane Hinton and members of the U.S. Embassy. The visitors also toured a camp for homeless people, Expocomer [Panama Trade Fair] 90, and the canal locks.

The visit was coordinated by industrialist J.J. Vallarino Jr., President of ANDE [expansion unknown] Foundation, and ANDE Executive Director Dominador Kaiser Bazan, with the coorperation of the U.S. Embassy and U.S. Trade Department. Texaco President Mr Tony de la Rosa hosted cocktails for the visitors.

Former Bank Manager Refused Safe-Conduct

PA1703011990 Panama City Telemetro Television in Spanish 2324 GMT 16 Mar 90

[Text] The Panamanian Foreign Ministry asked the Mexican Embassy to hand over Rafael Arosemena today. Arosemena is the former National Bank manager who has been accused of embezzling more than $21 million.

Arosemena took up refuge at the Mexican Embassy on 28 February. In a note sent to the Embassy, the Foreign Ministry said that Arosemena has been charged with common crimes and that, for this reason, his request for diplomatic asylum should not be honored. The note added that the Panamanian Government will not give him the safe-conduct that Arosemena has requested.

FP Chief Accused of Profiting From Funds

PA1803232990 Panama EL SIGLO in Spanish 16 Mar 90 p 16

[Text] "Public Force [FP] General Director Eduardo Herrera profited financially from the funds deposited in Bank Account No. 1, which the U.S. Government assigned to deposed President Eric Arturo Delvalle," Roberto Arosemana Jaen of the National Civic Crusade [CCN] has charged at the National University.

Dr. Arosemana made the serious charges during a panel organized by the university's law students. Drs. Alberto Quiros Guardia and Miguel Antonio Bernal strongly criticized the creation of the new public force during this event. Quiros Guardia is the new president of the National Journalists' Association.

After failing to remove former General Manuel Antonio Noriega from the defunct Panama Defense Forces, Delvalle took refuge in the United States, where the U.S. Department of State still recognized him as the president of Panama and assigned him a bank account with Panamanian funds frozen by U.S. President Ronald Reagan. Mr. Herrera also had access to that account. "Aristides Valdonado and Eduardo Herrera cannot not look anyone in the eye after cruelly beating up people and savagely repressing unarmed civilians who were protesting the regime on that black Friday [10 July] 1987," Dr. Arosemena noted. He added that those individuals cannot provide protection or security to the Panamanian people.

Dr. Arosemena, a CCN leader who has been arrested on several occasions for opposing the dictatorship, bitterly criticized the failure to demilitarize the FP; he also accused the members of repression.

Selection of Ford To Visit U.S. Hailed

PA1603161090 Panama City LA PRENSA in Spanish 16 Mar 90 p 1A

["As of Today" column]

[Text] From the moment U.S. President George Bush proposed his economic aid plan for Panama to the U.S. Congress, it became clear that the Panamanian Government had to send, as soon as possible, a high-ranking representative to reach the agreements that would expedite the allocation of the resources needed to reactivate our battered economy. However, the government's huge problems of administrative reorganization meant that officials with the talent and capabilities to successfully accomplish that delicate mission were assigned other missions. Fortunately, President Guillermo Endara has commissioned Guillermo Ford, second vice president and minister of planning and economic policy, to fly to Washington next week to speed up the steps of that aid program. In addition to his high official responsibilities, Guillermo Ford is a man with vast and successful business experience at home and abroad and personally knows many of the officials he must meet in the United States. Thus, we feel that his designation is particularly appropriate. We are certain that his efforts will be received with the greatest rapport and spirit of cooperation in Washington, and that very soon the aid plan's funds will come to decisively contribute to solve many of the huge problems overwhelming Panama and its government.

Argentina

Human Rights Groups, Others Organize March

Protest Hunger, Repression

PY1603223390 Buenos Aires BUENOS AIRES HERALD in English 16 Mar 90 p 11

[Text] NA-DYN—Eight human rights organizations, various left-of-centre political parties, the Radical Party and sectors of the Justicialist Party organized a march for this afternoon to protest "against hunger, repression and impunity" and express their commitment "in favour of life and freedom."

The march will start at around 6pm at the Obelisk in this City, from where the different columns will march through Cerrito and Avenida de Mayo to the Congress square, where they will hear speeches, messages of support and music from a record soon to be released where various popular artists sing to human rights.

The original human rights organizations are Mothers of Plaza de Mayo (founding line), Permanent Assembly for Human Rights (APDH), the Ecumenical Movement for Human Rights, Grandmothers of Plaza de Mayo, the League for the Rights of Man and the Peace and Justice Service (SERPA). Later the other line of Mothers, the Association of ex-Detainees and Missing People, the Argentine League for the Rights of Man and the Jewish Movement for Human Rights joined in, together with 12 political parties and numerous groups of students, workers and social movements.

This march marks the incorporation of the Radical Party to massive protests, the first such institutional decision since President Carlos Menem took over from current party chairman Raul Alfonsin. For that reason the heads of the Capital and Buenos Aires provincial committees, Marcelo Stubrin and Leopoldo Moreau, staged a press conference to explain their participation in the demonstration.

Moreau stated that "it seems that the authors of this economic plan are thinking more about how to repress social protests than in how to agree on policies to take us out of this crisis," while Stubrin underlined that "we are taking part in this march because we want the government to realize that they cannot apply this conservative and regressive economic project without taking into consideration the demands of Argentine society."

Forty Thousand March

PY1703012990 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2345 GMT 16 Mar 90

[Text] Buenos Aires, 16 March (NA)—Some 40,000 people are marching toward the Plaza de los Dos Congresos, chanting harsh slogans against the current economic policy.

President Carlos Menem, Alvaro Alsogaray, and Alsogaray's daughter, Maria Julia, government trustee of ENTEL [National Telecommunications Enterprise], are the main targets of the crowd's most aggressive slogans. The crowd is made up of members of human rights organizations, the Radical Civic Union, the Peronist Party and various leftist parties.

Government House Under Guard

PY1603223790 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2205 GMT 16 Mar 90

[Text] Buenos Aires, 16 Mar (NA)—An impressive number of policemen, patrol cars, and two armored vehicles have been deployed around Government House to prevent any possible disruptions of public order during the "march against hunger, corruption, repression and in favor of life and freedom."

Many people have gathered at Plaza de la Republica, getting ready to march to the Plaza de los Dos Congresos where the rally will be held.

Rain Breaks Up Demonstration

PY1703043490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0201 GMT 17 Mar 90

[Excerpts] Buenos Aires, 16 Mar (NA)—Today, for the first time President Carlos Menem's administration was faced with a huge demonstration against the economic program when approximately 70,000 people gathered to protest the economic policy under the banner "Against Hunger, Corruption and Repression." [passage omitted]

The most numerous columns were those from the Radical Civic Union led by Marcelo Stubrin and Leopoldo Moreau, the Peronist Youth, the Intransigent Party, and the Movement Toward Socialism.

The persistent rain that fell halfway through the march helped to break up columns as soon as they reached the Plaza de los Dos Congresos chanting slogans in favor of human rights, except members of the Radical Civic Union who had brought with them more umbrellas than the other groups.

Some groups of the Peronist Youth when leaving along Callao Avenue threw a couple of bottles at policemen deployed in the area. The police did not respond to the attacks and rapidly left the area. [passage omitted]

Menem Admits Message From Quayle for Castro

PY1603171690 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1400 GMT 16 Mar 90

[Text] Brasilia, 16 Mar (NA)—President Carlos Saul Menem admitted that U.S. Vice President Dan Quayle had asked him that, if Menem met Castro, "he should try to tell Fidel Castro to stop sending weapons to the Salvadoran guerrillas" who are in direct confrontion with the government of Alfredo Cristiani.

Speaking to journalists covering his visit to Brazil, Menem said: "I am not certain that the Cuban Government is sending weapons to the Farabundo Marti Front, but I would not have any problem in conveying the concern of the U.S. vice president to Castro."

The possibility of a meeting between Castro and Menem was "blocked" this morning after diplomats in the two delegations failed to reach an agreement on the site of a meeting.

Diplomatic sources said last night that while the Cubans are asking that Menem go to the Cuban Embassy in this city, the Argentine representatives say the meeting should be held at the hotel where Menem is staying.

"I still did not have an opportunity to talk to Castro, except for the protocol contacts," said the Argentine president, who said that "if he wants to talk to me, I do not have any problems."

Asked about the situation in Central America, Menem said that "peace involves the implementation of democratic solutions, as in Nicaragua, and a willingness of the leaders of the area to talk to those who are still in armed rebellion, such as the Nicaraguan contras and the Salvadoran guerrillas."

President Menem Returns From Brazil Inauguration

PY1703002090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2337 GMT 16 Mar 90

[Text] Buenos Aires, 16 Mar (NA)—President Carlos Menem arrived here at 2030 from Brazil at the end of his 2-day visit to attend the inauguration of Brazilian President Fernando Collor de Mello.

Former Economy Deputy Criticizes New Adviser

PY1603224590 Buenos Aires BUENOS AIRES HERALD in English 16 Mar 90 p 5

[Text] NA—Former Deputy Economy Minister Hector Gambarotta asserted yesterday that the reason behind his resignation was his "total incompatibility" with Javier Gonzalez Fraga, who will be designated chief adviser of the advisory council currently being assembled by Economy Minister Antonio Erman Gonzalez.

The outgoing deputy minister stressed that Gonzalez Fraga "is a technician who has his own ideas and when he resigned from the Central Bank presidency he harshly criticized his colleagues."

"I do not mean to discredit him but I am certainly not willing to work with him", he added.

In statements on Radio Mitre Gambarotta stated "I am a person committed to the Justicialist Party, but as far as I know Gonzalez Fraga is not."

The former official declared, however, that his relationship with the Economy Minister remains "undamaged" while pointing out that Gonzalez as well as President Carlos Menem have "clear ideas of the way the economic policy is to be carried out. [No closing quote as published]

He finally insisted that his discord with the appointment of former Central Bank president does not imply a disagreement with the official economic programme, but with "the political style with which the present situation is being handled."

Carlos Carballo Named Deputy Economy Minister

PY1603224190 Buenos Aires BUENOS AIRES HERALD in English 16 Mar 90 p 1

[Text] DYN-NA—Foreign debt negotiator Carlos Carballo has been named to take over the position of Deputy Economy Minister, recently vacated by Hector Gambarotta, in accordance with the restructuring of the Economy Ministry being currently planned by Economy Minister Antonio Erman Gonzalez.

Carballo has accepted one of the key positions for the revamped economy cabinet, along with that of ex-Central Bank President Javier Gonzalez Fraga who will serve as cabinet president.

As of yesterday, six undersecretaries within the cabinet had been defined: Treasury, in which Saul Bouer will continue in his position; Public Revenue, with Raul Cuello; Public Companies, the leadership of which will be assigned to Roque Ceballos who until yesterday served as Technical and Administrative Undersecretary; Industry and Foreign Trade, under the direction of Jorge Pereyra de Olazabel; Agriculture, presently headed by Felipe Sola, and Economic Coordination which will be the Carballo's responsibility.

Labor Under Secretary Guillermo Marconi Resigns

PY1803211190 Buenos Aires BUENOS AIRES HERALD in English 17 Mar 90 p 11

[Text] (DYN)—Labour Undersecretary Guillermo Marconi yesterday resigned his position but announced he will go on working as "an apostle" in the defence of President Carlos Menem's plan. The football referee praised the government's decision to slash the number of state departments and said he was now "as happy as at the beginning" of his work. Although "worried" for the country's current socio-economic situation, he expressed full hopes for Menem's course.

Foreign Minister Discusses Various Agreements

PY1703002990 Buenos Aires TELAM in Spanish 1243 GMT 15 Mar 90

[Text] Buenos Aires, 15 Mar (TELAM)—Foreign Minister Domingo Cavallo has stated that "the priority plans for investment projects in the public sector, within the framework of the Spanish loan, will be ready in 30 or 60

days." He added that the renegotiation of the fishing agreement with the Soviet Union will be decided tomorrow.

Cavallo said that "everything is ready both on the Argentine and Spanish sides to operate" in the public sector, regarding the "normative aspect and administrative procedures, stressing the imminent implementation of "the first projects." [quotation marks as received]

He also stressed the possibility of investments by "private joint ventures, which depends on the initiative of the businessmen themselves," who are experiencing a "certain fear of putting them into practice, due to the instability that has affected us over the past few months."

He added, however, that some important initiatives are observed in the private sector. He said that when "there are symptoms of consolidation of this stability which has been perceived since last week, they will be consolidating" their investments.

Regarding the fishing agreement with the Soviet Union, which expires this coming Sunday, the foreign minister stated in remarks to Radio del Plata, that "the Soviets have expressed their desire to renegotiate the agreement."

He said that should this cooperation continue, "the clauses which are not convenient for Argentina" will be changed, such as giving "equal opportunity to all Argentine companies to sell to the Soviets, and increasing royalties paid on the catch."

Cavallo recalled that according to the current agreement, signed during the administration of previous Foreign Minister Dante Caputo, "the Soviets could decide from which company" they would buy the stipulated 30 percent. What we want now is "a transparent procedure that will give opportunity to all companies."

Regarding royalties, he said that Argentina "has been charging three percent of the Soviet catch," while "now we have a proposal similar to that which they pay to the British for fishing around the Malvinas Islands, amounting to 15 percent."

"This money will be used to increase research on fishing resources and to control fishing in Argentine waters—something very burdensome—which we have been unable to do with the necessary intensity."

Cavallo stressed relations with Brazil, pointing out that a committee made up of officials from the two countries has been created. This committee "will be charged with the task of continuously intensifying concrete integration projects, especially those that need planning."

Among other undertakings, he referred to "the construction of a gas pipeline that will pass through Paso de los Libres and Uruguayana from Argentina to the state of Rio Grande do Sul."

Costa Rica's Arias Arrives in Misiones 16 Mar

PY1803211990 Buenos Aires BUENOS AIRES HERALD in English 17 March 90 p 11

[Text] (DYN)—Costa Rican President Oscar Arias Sanchez and his wife last night arrived in Puerto Iguazu, Misiones, on a week-long visit to the country responding to a special invitation by President Carlos Menem.

Arias—who received the Nobel Peace Prize for his efforts towards a Central American peace plan—arrived from Brazil, where he attended President Fernando Collor de Mello's inauguration.

Bolivia

Information Minister Reports on Paz' Agenda

PY1603183390 La Paz Television Boliviana Network in Spanish 0030 GMT 16 Mar 90

[Text] Bolivian Information Minister Manfredo Kempff Suarez has released reliable information to the press about President Jaime Paz Zamora's agenda in Brazil.

[Begin Kempff Suarez recording] The president had a busy agenda in Brasilia today. His activities began at 1000 with President Collor de Mello's inauguration, which was followed by formal ceremonies until almost noon. President Paz Zamora then met with U.S. Vice President Quayle at the presidential suite. They discussed several matters including the Cartagena drug summit. It should be noted that during this meeting Mr. Quayle conveyed to Paz Zamora an official invitation extended by U.S. President Bush to visit the United States on 8 May.

This invitation is special considering it takes approximately one year to outline the topics to be discussed in a presidential meeting. This invitation leads the Bolivian Government to think that very important matters will be discussed with the U.S. President.

Following the meeting with Quayle, President Paz Zamora held a working lunch with Colombian President Virgilio Barco and Peruvian President Alan Garcia. They agreed, among other things, that the Bolivian president would represent the Colombian and Peruvian presidents in the talks he is to hold with President Bush in the United States to accurately analyze the agreement reached in Cartagena. They also agreed that President Barco will represent the Peruvian and Bolivian presidents at the international antidrug meeting that is scheduled to take place in London.

Paz Zamora's agenda included meetings with Nicaraguan President Ortega, Portuguese President Suarez and with Spanish Prime Minister Felipe Gonzalez, who conveyed to him the Spanish Government's pleasure over his upcoming visit to Spain. President Paz Zamora also met with Venezuelan President Carlos Andres Perez, and with Costa Rican President Oscar Arias. He held a very fruitful and cordial meeting with Uruguayan

President Luis Alberto Lacalle. Tonight at 2200 Bolivian time, President Paz Zamora will meet Cuban President Fidel Castro.

As you can see the president had a very busy agenda today. In reply to some criticism made by the opposition regarding President Paz Zamora's trips abroad, I want to point out that these meetings are highly significant if one considers that it takes several months for the foreign ministries to arrange presidential meetings through exchanges of notes. Tomorrow, President Paz Zamora will meet with Brazilian President Collor de Mello and with the Suriname president. Today he could only greet the new Brazilian president. Tomorrow they will exchange opinions on bilateral energy agreements that have been signed. They will probably ratify the joint declaration signed by the presidents of the River Plate Basin country members during Uruguayan President Lacalle's inauguration. [end recording]

Paris Club Agrees To Renegotiate Debt

PY1603175590 La Paz Television Boliviana Network in Spanish 0030 GMT 15 Mar 90

[Text] The Bolivian mission to the Paris Club has obtained the approval of the creditor countries to reschedule Bolivia's bilateral debt.

Planning Minister Enrique Garcia and Finance Minister David Blanco who headed the mission are still in Europe.

[Begin Information Minister Manfredo Kempff recording] This afternoon I talked with Planning Minister Enrique Garcia. He told me with great satisfaction that the Bolivian mission to the Paris Club has obtained agreement to renegotiate the debt.

The Paris Club board is comprised of representatives of Austria, Belgium, Denmark, France, the FRG, Japan, the Netherlands, Switzerland, Great Britain, and the United States.

Canada, Israel, Italy, Norway, Spain, Sweden, and representatives of international financing organizations such as the IMF, the World Bank, and the IDB [Inter-American Development Bank] participated as observers.

Bolivia has thus obtained the Toronto concessional treatment [tratamiento concesional de Toronto]. This was one of the goals of the government of National Unity, as indeed it was also the goal of the previous administration. Satisfaction is great because this new agreement allows concessional treatment for the rescheduling of our debt. The Toronto concession, also known as the Sub-Saharan concession, has so far never been granted to any country outside Africa.

The Toronto concession means that Bolivia has the option to reduce its debt service to one third of its present level. The remaining two thirds will be consolidated in a debt that has a 14 year maturity period and an eight year grace period.[end recording]

300 Million Dollars Rescheduled

AU1703140490 Paris AFP in English 2334 GMT 16 Mar 90

[Text] Paris, March 16 (AFP)—Bolivia won a rescheduling of around 300 million dollars in foreign debt here on Friday in an agreement with government creditors, informed sources said.

The agreement came in connection with the favorable treatment of debt problems being given since 1988 to the world's poorest countries, and Bolivia becomes the first non-African country to benefit from such treatment.

Bolivia's total foreign debt was estimated at 5.45 billion dollars at the end of 1988. The country, with U.S. support, has been moving against drug production and traffic.

Brazil

Collor Compelled To Forgo Speech to Congress

PY1803010090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Mar 90 p 11

[Report by Flamarion Mossri and Luciano Suassuna]

[Text] A short phone conversation between Congress President Senator Nelson Carneiro and Justice Minister Bernardo Cabral on the evening of 14 March—on the eve of the presidential inauguration—prevented what might have become the first institutional crisis of the new government.

After one day of talks with the main leaders of congress, Carneiro concluded that President Fernando Collor should not pay his announced visit to the congressional session on 16 March to submit the main measures of the administrative reform and the economic program of his government.

If Collor had decided to attend the session, several opposition lawmakers could have walked out. This incident could have had unpredictable consequences for the executive branch and Congress.

The proposal, to walk out of the session before the speech by Collor, was formulated by PMDB President, Deputy Ulysses Guimaraes. He told several lawmakers and some party leaders about his position, and several congressmen promised to support him. PCB [Brazilian Communist Party] leader Deputy Roberto Freire told him: "We will walk out with you."

In his phone call to Cabral, Carneiro said that some party leaders were against the president's idea. He advised the Justice Minister to convince the president to give up his plan. Cabral modified the plan and arranged an informal visit by Collor to Carneiro at 0900 on 16 March and a meeting with party leaders at Planalto Palace.

The crisis on 14 March occurred because Collor's idea, to hand over his projects personally to Congress, has no Constitutional support. Though cabinet ministers can do this, the president cannot. The crisis grew worse on 14 March when congressmen were informed that Collor wanted to be the only speaker, without any interruptions. Thus, in addition to violating the Constitution, the president's presence in Congress would have also violated the traditions of Congress, which call for frank debate. Said a congressional leader: "Furthermore, if he came here once, we would then have the right to summon him whenever we deem it appropriate."

During a conversation on the subject on 14 March, Ulysses Guimaraes said: "The president cannot violate the Constitution the day after his inauguration, when he swore to respect the Constitution.

Guimaraes was annoyed at the fact that the presence of Collor in Congress had been directly arranged by the Senate president and by Minister Bernardo Cabral. "Nelson Carneiro has been a friend of mine for over 40 years," Guimaraes said, "but, the Constitution and Congress are closer friends of mine." Asked yesterday whether the president's presence in Congress would not be healthy for democratic debate, Guimaraes answered: "Democracy will be healthy if the Constitution is respected."

The debate on the possible presence of Collor at the congressional session served to identify the pro-government and the opposition blocs. The first to protest the presence of the president was Deputy Ulysses Guimaraes. PMDB leader Ibsen Pinheiro, PDT [Democratic Worker's Party] leader Doutel de Andrade, and PSB [Brazilian Socialist Party] leader Joao Herrmann went to Senator Carneiro's office to voice their complaints. Those three leaders also spoke on behalf of PMDB Senate leader Ronan Tito and Robson Marinho, PSDB [Brazilian Socialist Democratic Party] leader in the Chamber of Deputies. They did not like the idea of allowing Collor to be the only speaker, without giving the party leaders the chance to address the president. PT [Workers Party] Deputy Jose Genoino said: "We should have the right to ask questions."

Renan Calheiros, pro-government leader in the Chamber of Deputies, yesterday charged that "some deputies tried to turn a session for the presentation of the government's program into an inquisition." He added, "By doing that, they reduced the president's appreciation for congress." The new government's proposal was supported by PFL [Liberal Front Party], PDS [Social Democratic Party], PDC [Christian Democratic Party], and PTB [Brazilian Labor Party] leaders, and by some PSDB and PMDB lawmakers. PSDB Senator for Parana, Jose Richa deplored the cancellation of the president's visit to congress, noting that "at this stage of Brazilian life, it would have been very important to hear the president's address to Congress."

More on Congressional Dispute

PY1803004290 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Mar 90 p 11

[Text] Brasilia—President Fernando Collor's idea to present his new government plans in a speech to Congress failed after leftist legislators insisted on questioning the president on his projects in accordance with regulations governing the work of the Senate and Chamber of Deputies. Collor wanted assurances that he was not going to be interrupted, but congressional regulations, affecting the two chambers, state that nothing can prevent deputies and senators from speaking during normal or special sessions.

Collor could only make his speech, in the way he desired, during a solemn session convened by Congress, such as the one held for his inauguration yesterday. An intricately intertwined set of regulations and laws effectively forced the president to cancel his speech. The same Constitution that permits Congress to unseat a president, prevents him from being questioned. According to some legislators, because congressional regulations establish that legislators cannot be forbidden from speaking, had Collor spoken, the independence of the executive branch, and even the figure of the president, would have been tarnished.

Nothing in the Constitution or congressional regulations, however, can prevent the president from participating in sessions of Congress. If the president speaks to present his plans, he is not violating any constitutional tenet, as PMDB [Party of the Brazilian Democratic Movement] President Ulysses Guimaraes affirmed.

The president, therefore, will not avoid going to Congress. He will hold a meeting with several congressional leaders in the morning and then he will take his government plans to legislators.

President Collor Delivers New Economic Program

PY1603133890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1017 GMT 16 Mar 90

[Speech by President Fernando Collor de Mello at Cabinet meeting in Planalto Palace in Brasilia—live; broadcast in progress]

[Text] The situation calls for patriotic determination, devoted and tireless work, and a clear sense of urgency. We cannot waste a single moment more. We, public men, do not have the right to waste time that is not ours. No one has delegated to us the right to choose the moment to initiate the search for solutions. Society expects concrete actions now!

I will send to Congress today the first measures we are adopting to implement the project of national reconstruction, which was presented to the nation yesterday. The people elected us—the congressmen and myself—to carry out missions that are different in their nature, but,

above all, they elected us so that we together, in close cooperation, can do what Brazil expects from us.

Throughout the past months, I personally carried to all corners of Brazil my message and my program. The response was clear; the unquestionable majority said yes. We are defining the first measures of that program at this extemely difficult time in the nation's life. My economic programs rely on the principle that above anything else we need moral reform in the economic field. Governments once calmly coexisted with tax evasion and corruption. Parasitic businessmen and lax bureaucrats, although they were a minority, set the tone for previous administrations. All this will end here and now! I am determined to adopt the following measures, which are meant to achieve this moralizing effect.

1. Economic abuse will be punishable by up to five years in jail. Managers, directors, and owners of businesses can be jailed for hoarding goods, charging exorbitant prices, and/or deceiving consumers.

2. Public servants who participate in acts detrimental to the Treasury will be dismissed and jailed.

3. All perquisites, falsified salary payments, and so on will be abolished.

4. The anonymity of hidden wealth obtained through tax evasion will be ended. Bearer securities and other devices contributing to secrecy, that protects even criminals, will be eliminated.

5. The very wealthy will henceforth make payments to cleanup the country.

6. Capital gains from stock sales will henceforth be taxed. This ends unfair discrimination; wage earners paid income tax on their meager salaries, while employers made speculative gains without paying a cent to the Treasury.

These measures have already been adopted. I am thereby fulfilling, on the first day of my term, my commitment not to condone injustice from the start.

On this platform of decency, I am determined that this year's public deficit will be zero. There is no way to bring down inflation if the government spends more than it collects in revenues. Therefore, we have adopted the following measures.

1. An implementation of a profound administrative reform involving the dismissal of poor public servants and the closing of ministries, decentralized agencies, and public enterprises.

2. The suspension of all subsidies, including those to exporters and the computer industry.

3. The inclusion of agricultural income in the federal government's tax base in order to strengthen the system for financing the livestock and agricultural sector.

4. A drastic reduction in the loss of tax revenues through the quasi-instant indexation of taxes owed to the federal government, and updating of percentages of the IPI [manufactured goods tax].

5. Readjustment of public prices that lag behind cost.

The third group of measures that we are instituting is intended to modernize our economy; to bring it into line with what is happening in the rest of the world. We recognize that free enterprise is the only road to self-sustained and progressive growth. To stimulate competition is, in the midterm, the most important task of a government that seeks an updated and dynamic economy. To this effect, we are determined to do the following.

1. Bring the fluctuation of the foreign exchange rate under government control.

2. Reduce import barriers and stimulate the participation of foreign capital in the nation's development.

3. Initiate an ambitious program to denationalize the economy.

4. Privatize debts to the federal government by auctioning them to individuals who want to buy them.

5. Create privatization certificates as an instrument to speed the process of denationalization; financial institutions, pension funds, insurance companies, and so forth, will be required to buy these certificates.

Messrs. Ministers, Senators, Deputies, Secretaries,

The violence of inflation and the near destruction of the price system is already threatening our economy and causing heavy losses for the Brazilian people.

Under these circumstances, the government cannot yield. No matter how great the resistance to the idea of imposing controls on the economy, it has become indispensable to fix parameters for prices and salaries.

We are seeking to keep salaries from losing purchasing power due rising prices. Therefore, March salaries will be adjusted, based on the February inflation rate, and prices will have to set at the level of two weeks ago and to maintain those levels.

This abrupt freezing of the price-salary spiral will have to be maintained, along with adjustments that become indispensable, for the time required to normalize the economy indispensable.

The final unfreezing should begin on 15 April, when we will implement a pre-fixed price and salary policy.

In this new stage, the general guideline will be to promote safe salary levels against prices. We are convinced that in a period much shorter than is assumed, we will be able to complete this stage and reach true deregulation at very low levels of inflation.

For lasting price stability, it is necessary to implement an austere monetary reform capable of returning currency controls to the state. Currency controls represent a guarantee for currency stability, a basic characteristic of the state's sovereignty, and a basic precondition for the development of civilized life.

True monetary reform is not just a matter of changing the denomination in which prices and contracts are specified. It must involve deep processes to achieve liquidity and create purchasing power. In this regard, it is necessary to eliminate, with one stroke, the practices that undermine the monetary standard and the practices of those who grow rich on the devaluation of money. These were the practices that prevailed in Brazil over the past few years.

The measures are very comprehensive. As difficult as they are, however, they are designed to preserve the rights of the citizens. At the same time, we took the initiative of promoting those rights through a process of converting new cruzados into cruzeiros.

We took precautions not to affect in any way the purchasing power of the monetary assets of 90 percent of the Brazilian people. For the wealthiest 10 percent of the people, we established rules designed to preserve the real value of their assets, but we will establish time restrictions for liquidating these assets. This will not jeopardize the functioning of our economy.

Furthermore, we will seek to emphasize the distributive nature of the stabilization plan through fiscal measures applied on financial assets.

In sum, the economic measures we have adopted are profound, courageous, and indispensable. They stem from the general idea that our society needs less state, but more government. At the normal pace of our economic development, we will witness an increased participation of salaries in the final product to the detriment of profit margins.

The immediate consequences of our program will be the weakening of speculators, and the strengthening of the government's investment power.

Messrs. Ministers, Secretaries, leaders of the National Congress, the Brazilian nation is weary of the rhetorical indignation that for too long has fueled the sea of complacency in which most of our elite leaders have been immersed. The people demand that moral indignation be promptly translated into decisions and actions. The nation demands that we decide and take actions.

Our decisions will again be legitimate as a result of the culmination of the process of democratic institutionalization. Senator Itamar Franco and I have received, from the people, the responsibility of exercising our powers, as well as the duties to make serious decisions in their name. We must now regain our ability to take action. If we fail to do so, our decisions will not have the desired effects. We must overcome the paradoxical immobility in which we are immersed. The crisis of the state is preventing us from taking effective measures and the crisis continues to persist because no measures are taken. This is because the crisis of the state is preventing us from taking effective measures, these measures should be designed to put an end to the crisis. This is a logic of self-seeking cowards, a logic that unfortunately is linked with the image of the public sector in Brazil.

This is another reason why many of the measures I am submitting to the legislature and to the nation are designed to bring about the moral and functional recovery of the state apparatus. It will be of no avail to be tuned in with the people's desires if the instruments at our disposal are not in keeping with the feelings of our nation, or with the urgent needs of this time. It would be of no avail for the patient to have confidence in the expertise of his doctor, if the doctor lacks the essential instruments to treat him.

Brazil knows its situation very well. The government machinery requires dramatic reforms. This was strongly emphasized in our electoral campaign. The distortions that continued to accumulate in the public sector not only reduced its usefulness, but set an example of highly obnoxious consequences for the country's economic life. The most obvious of those distortions is inflation. The reform of the state is a fundamental aspect of the fight against the uncontrolled explosion of prices. As of now, the government will lead a great effort, both to remove the state from places into which it should have never gone and from places it is no longer needed, and to take action in places where it has never been or where its presence has never met the most elementary needs of the population. This is not an ideological option; this is an imperative of reality and a decision of the majority of the Brazilian people.

With the culmination of the democratic transition, society has recovered its sovereign control over the state. This must be fully understood and assimilated, once for all. Today the state certainly no longer is the engine of our history, even if it once was in the past. It is neither an engine nor a lifesaver. In a democracy, the nation is not saved by the government, but by society. The government, an instrument subject to the rule of the popular will and of the laws that stem from that will, should interpret the community's aspirations; should sum up those aspirations and raise guideposts on the roads to be followed; should lead and orient the march of the nation in the direction it has chosen; should maintain, and whenever necessary, restablish the authority of the state, an authority rooted in respect for the nation itself; should safeguard public morality; should sustain the nation's ability to trust in itself and to inspire trust in the other nations with which we share life on earth.

This is not a (?small undertaking), but this is what we are going to do. We have no alternative. Brazil can no longer accept defeats. The alternative now is to win or to win. May God help us! Thank you very much.

Economy Minister Discusses Program

PY1703153090 Rio de Janeiro Rede Globo Television in Portuguese 1756 GMT 16 Mar 90

[News conference by Economy Minister Zelia Cardoso de Mello; Central Bank President Ibrahim Eris; Eduardo Modiano, president of the National Bank for Economic and Social Development; and Planning Secretary Antonio Kandir, with foreign and national reporters; place not given—live]

[Excerpts] [Cardoso] Ladies and gentlemen, this is the economic program that is being presented to the Brazilian nation today. We have basically made a diagnosis of the problems in the Brazilian economy. This diagnosis was explained during the electoral campaign and during the transition period that preceded the installation of the new government. This diagnosis is centered on the financial imbalance of the Brazilian state. To make corrections to this imbalance and the state's distortions—corrections that are necessary for our economic recovery and growth—we must implement a few changes.

We believe that the stabilization programs that have been implemented in Brazil over the past few years did not work because they failed to simultaneously fight the different causes for this imbalance. The Brazilian economy has developed mechanisms that prevent the implementation of a more rigid monetary policy, and this makes it more difficult to successfully implement a stabilization program. Our studies show that the stabilization program should be implemented in several areas at the same time.

Our program has three fundamental points: First, a fiscal reform aimed at balancing and correcting the state's accounts, particularly in 1990. A deficit of eight percent is predicted for this year, and we intend to implement a fiscal readjustment that will yield a two percent surplus. We are talking about a fiscal readjustment of about 10 percent.

Another important aspect of the program is the monetary reform. Why must we implement a monetary reform? In view of the nature of the currency in the Brazilian economy, we believe that the implementation of monetary reform is a fundamental element in the success of the stabilization program. In all countries there are normally currency and bonds. In Brazil, however, there is a third category: the indexed currency, which is expressed by this mass of resources being invested daily. In this mass of resources we cannot distinguish what is financial savings, what is currency being used for speculation, or what is currency being used in transactions—in other words, what resources are being used to pay our everyday bills.

In some of the previous stabilization programs, this mass of resources was used to purchase goods just when the economy was stabilized, thus increasing consumerism and causing certain imbalances. We realized that, to successfully implement a stabilization program, we had to create the conditions to implement a monetary policy.

The third aspect has to do with price and salary policy. This will provide an analysis of salaries and the behavior of prices for goods and services. Those are the three fundamental aspects of the program.

The program that was submitted to the National Congress today includes not only an administrative reform but also changes in industrial and foreign trade policies. Why are these two aspects, along with privatization, important? They are important because they will determine the economy we want to have in Brazil in the next few years. We want our economy to be more effective, to be more competitive, and, possibly, more productive. This will prevent further conflict over the distribution of wealth.

These are the points I will now elaborate on. Regarding the fiscal adjustment, within the set of measures that has been presented there is a part that refers essentially to taxes. It includes reductions in the time for IPI [Manufactured Goods Tax] payments and increases in some IPI percentages. There is also an expansion of the tax base, including sectors that were previously tax-exempt. This is the case for agricultural income, taxes on capital gains in stock exchanges, and export incentives. Through several measures we are expanding taxation on sectors that were not, in our view, adequately taxed. We are also adopting measures to end fiscal anonymity; transactions with bearer instruments and checks will no longer be allowed. From now on instruments, funds, and checks of a given value will have to be attributable.

In addition to this, included in this fiscal package are changes in IPI percentages, taxes on some stock exchange operations, taxes on agricultural income, an end to incentives for exports, an end to all fiscal incentives—various small incentives—and even regional incentives, so they can reviewed and reevaluated.

Additionally, another fundamental aspect of our fiscal measures has to do with privatization, administrative reform, and a reform of state assets. The administrative reform will give us about 0.5 percent of the GDP, and the privatization and reform of state assets in 1990 will give us about 2-2.5 percent of the GDP. I would like to stress that all the measures I am talking about refer to 1990. We have carried out as much fiscal action as possible within the constitutional rules.

In addition to the measures on taxes, privatization, administrative reform, and state asset reform, we are changing the IOF [Financial Operations Tax] and we will tax gold, stock, securities, overnight, and savings book operations. Elaborating, we are changing the IOF and raising taxes on the assets I just mentioned—gold, stocks, securities, and savings books.

Consistent with our privatization program, we have created privatization certificates. What is a privatization

certificate? A privatization certificate is a nonnegotiable note that earns a monetary correction which decreases on a monthly basis.

The monetary correction will drop to 60 percent over the 40-month period following the first privatization auction. This means that the certificates will earn 100 percent of the monetary correction in the first month after their issuance. After the first privatization auction, the monetary correction paid to certificates will drop by 1 percent monthly, so that in the 40th month certificates will be earning 60 percent of the monetary correction.

What is a certificate, and what are its uses? The certificates were created in response to a requirement connected to the privatization process.

We consider the privatization process to be a major topic, because we believe that the state should no longer participate in sectors.... [changes thought] That the state should not turn out goods and services in some areas in which the private sector can take over. The state should concentrate on areas that are closely related to public policies—such as health, education, water supply and sewage systems, and transportation.

We consider privatization to be one of the measures that will help improve the financial condition of the state and build a new profile for the Brazilian economy.

Also, state-run companies have experienced considerable losses because of the policies that have been enforced over the past few years. Their rates have been forced to stay at levels considerably below their real value, and they have incurred large debts.

The main issue, therefore, in a technical debate over privatization—a debate beyond ideological attitudes—is how to implement privatization without casting off or losing state assets, right? These privatization certificates are the solution to this problem.

Financial institutions, brokerage houses, insurance companies, pension funds, social security funds, etc. will be required to purchase privatization certificates. These institutions will be compelled to invest a percentage of their assets in the purchase of privatization certificates.

With their privatization certificates the financial institutions and the banks will participate in the privatization auctions; that is, they will exchange their certificates for company shares.

We believe that, first, this will actually encourage banks to participate in the privatization process. Second, it will increase the value of state assets, which we think is essential.

Those are the fiscal measures through which we will adjust fiscal accounts by approximately 10 percent of the GDP. You have been watching the Brazilian economy and you know that a fiscal adjustment of this size is unprecedented in Brazilian history.

The monetary reform will be the second aspect, following the resolution of the fiscal reform. The goal is to keep the excessive liquidity from harming or jeopardizing the success of the stabilization plan. We will basically achieve that target through a monetary reform.

The cruzeiro was created today to replace the new cruzado. One cruzeiro is equivalent to one new cruzado.

How will people convert their new cruzados into cruzeiros? The new cruzados deposited in banks—cash deposits, fixed-term deposits, savings accounts, and overnight deposits—will be converted into cruzeiros in the following manner: In the case of cash and savings deposits in cruzados, the holder will be able to withdraw up to 50,000 cruzeiros. In the case of deposits in the overnight market and fixed-term deposits, the holder will be able to withdraw up to 25,000 cruzeiros or 20 percent, whichever is larger.

This means that a person who has a cash deposit of 50,000 cruzados can go to the bank on Monday and withdraw 50,000 cruzeiros. The amount in excess of 50,000 will remain in the bank, or the Central Bank, under the name of the holder, as new cruzados. This deposit will be converted 18 months later into an equal amount of cruzeiros. During the 18 months the deposits in new cruzados will be adjusted for inflation and will receive six-percent interest. At the end of the 18 months they will be converted into an equal amount of cruzeiros.

This measure means there will be a strong liquidity contraction. The Central Bank, together with the Economy Ministry, will sponsor currency auctions, probably every month. The Central Bank will thus be offering currency to the economy if it is deemed necessary. Those who own deposits in new cruzados will be able to change, through the auction, their new cruzados into cruzeiros. These are the two ways in which cruzados are transformed into cruzeiros.

Furthermore, problems with payments will be arranged through a transference of account ownerships; that is, any debt in new cruzados, or money deposited in the overnight market, can be transferred under the name of the debtor to another account to pay mortgage bills or any other debt. It is important to clarify this. I was watching a commentary on television a few minutes ago and realized that there was some confusion.

We will have deposits in new cruzados, but the legal currency will be the cruzeiro. People will have their 50,000 to use for their transactions. On 1 April people will receive their salaries in cruzeiros and will pay their bills with that currency. It is important to understand that we have new cruzados on deposit and cruzeiros for our everyday transactions.

This is the idea of the monetary reform. It will mean a very strong contraction of liquidity and a very important Central Bank adjustment. The Central Bank will organize currency auctions if necessary.

I will now move on to the last point, and we will then field questions. We have talked about the public deficit, the fiscal adjustment, and monetary reform; the last point is the price and salary policy. We have a fiscal anchor and a monetary anchor. What do we do with prices and salaries? Basically, as of today we are establishing strict price controls. As of today all price readjustments will have to be cleared through the economy minister.

We need this price control to promote the realignment of prices, to establish a reequilibrium of relative prices that have been getting out of line, mostly in the last three months. We will promote this strict price control until 1 April. The salary policy will be maintained until then, and from then on we will have a formal system through which prices and salaries will be set.

We will basically work through a mechanism of preestablished readjustments, with an inflation-rate target, in this way: A maximum readjustment of prices will be defined on the first day of each month. On the 15th of the same month, the inflation-rate target will be established, as will a minimum ceiling for salary readjustments. The difference that may occur between the established salary readjustment and the actual, verified inflation rate will be subject to open bargaining between employees and employers. Any readjustment granted in this manner will not be transferred to prices. This is a system that we expect to work rapidly: price control, the preestablishment of readjustments, and movement toward a liberalization. There will be time to realign prices in the economy.

Those are the three main points. We can still talk a little about industrial and foreign trade policy, but I believe that these are the three main points.

On foreign exchange, our proposal is as follows: As of next Monday, 19 March, we will establish a mechanism for a fluctuating exchange rate. At the Central Bank there are now a series of rules for participation in the foreign exchange market. Importers and exporters can participate. The Central Bank currently establishes the exchange rate. As of next Monday, everything will be the same; the same rules will apply. Only those who were allowed to participate previously will be able to participate, but the Central Bank will no longer set the exchange rate. The rate will be set by supply and demand, the market mechanism.

This is the mechanism for exchange rate fluctuation, with the controls remaining. If I want to buy foreign exchange, I cannot, because I am neither an importer nor an exporter, and I do not have to make any remittance. But those who have the right to participate in the foreign exchange market will be allowed to participate as before. The only difference is that the Central Bank will no longer set the exchange rate.

I have explained the stabilization program in general, and we will be here to answer the questions that have been drawn by lot. Here with me are Central Bank President Dr. Ibrahim Eris; BNDES [National Bank for Economic and Social Development] President Eduardo Modiano; and the special economic policy secretary, Professor Antonio Kandir. We are here to answer the questions that have been drawn. [passage omitted]

[Reporter] [Question indistinct].

[Cardoso] We did not change our position on the foreign debt. We will soon begin negotiations with our creditors and present our programs to the international organizations. We have a goal, and the negotiation of our debt will follow the implementation of this economic program. The program of adjustment and stabilization and the fiscal reform program are the cornerstones of our debt negotiation. We will continue making payments in amounts compatible with our present objectives. [passage omitted]

[Reporter] You have said that only 10 percent of all savings accounts are affected by the withdrawal ceiling. However, the holders of that 10 percent of the savings accounts are precisely those who invest in the economy. Will the measures then affect investments, hinder growth, and affect employment rates?

[Eris] Savings accounts are not exactly the instruments used by investors. The provisional measures can be changed if need be. We also have the possibility of early conversion auctions. In that way, if a potential investor has new cruzados, he will be able to participate in an early auction and purchase cruzeiros with cruzados. In special circumstances we will use rediscount mechanisms for certificates in new cruzados.

We cannot regard these mechanisms as part of the history of the country. They are provisional measures of a program to combat inflation, to end with inflation. As soon as we control inflation, our goal will be growth and fiscal justice. You may rest easy. We will also have the courage to stimulate investments and fiscal justice when the time arrives.

[Cardoso] I want to add something. There is little difference between what we are doing today and what we already have. The Central Bank president said that the money in savings accounts is not really used for large investments. The money in the overnight market is. Let me just point out two essential differences. First, the measures we are implementing are deep and harsh. We are implementing real fiscal adjustments, harsh monetary reform, and strict price controls. If we did not implement these measures, we would fall into a process of uncontrolled hyperinflation with all the consequent social costs. This is the first point: We are adopting harsh measures, but the situation is better than it would be if we did nothing.

The second point is that the resources on deposit are a threat to any stabilization process. The stabilization program affects economic growth and investments because of the resulting reduction in liquidity. But the fight against inflation is just part of a general program

that includes fiscal reform, rent control, and the modernization of the economy. The program has to be lasting and it must lead to our goals. It will not be just a temporary matter. After a certain period, investments will return. As the Central Bank president has just said, we have made our plan flexible to allow us to adjust the measures according to the way the economy responds. [passage omitted]

[Barbosa] Ze Luis Barbosa of Radio Cultura, Pedreiras. I would like to know who stands to gain and who stands to lose from the taxation of short-term financial investments?

[Cardoso] In a way, this has already been explained. The set of measures we are presenting have a clear purpose. This purpose has constantly been made clear, even in the government program guidelines. This set of measures does not penalize the millions of Brazilians who earn less than five or three [as heard] minimum salaries. There are 60 million Brazilians who earn less than five minimum salaries. The working class and the small savers are not penalized. Our intention, which in our viewpoint is more equitable and just, is to tax those sectors and institutions that up to now have been exempted from taxes. The wage earner pays income tax; when he receives his salary, the check stub shows this. This is not the case with the investor in financial operations, with those who buy and sell gold and stocks. So, this set of measures has a clear purpose. I think Brazilian society stands to gain, because I am absolutely sure that in a very short time inflation will be less than 10 percent, and we will be able to balance the economic system, to balance the government accounts. We then will be able to promote economic growth and implement public policies to guarantee a greater distribution of social benefits. Brazilian society stands to gain, because we will have a country with more fiscal and social justice. And obviously, all those who gained by inflation stand to lose; they will certainly lose. All those who were hurt by inflation will stand to gain.

[Barbosa] As of now, will returns on the overnight market be monthly, weekly, or daily?

[Cardoso] We never thought of making changes in the overnight market. Overnight is overnight; that is, daily.

[Barbosa] With the liberalization of imports, will the Manaus Free Zone be closed?

[Cardoso] No, it will not be closed.

[Reporter] [Name indistinct] of Manchete TV. I would like to go back to the topic of limits. In announcing the new measures today, President Collor said that the restricted liquidity will affect only the richest 10 percent in the country. I would like the minister to tell us whether she considers anyone who earns 51,000 cruzados or deposits 51,000 cruzados in a savings account a rich person.

[Cardoso] The Central Bank president gave the figures a while ago. I will allow myself to repeat them. Ninety percent of the pass book accounts have balances of less than 50,000 cruzados. We are not affecting this 90 percent; we are affecting the large savers. It is the same for demand deposits. For instance, I can guarantee that if we go out on the streets and ask the house maid and the taxi driver, we will find that they do not have money invested in the overnight market. I can almost bet on that. Those who have money in the overnight market are a small class. Anyone who has a little money in pass book accounts, can withdraw it, my friend. So, without a doubt, this set of measures does not affect the weakest sectors of Brazilian society. On the contrary, it only affects the minority of Brazilian society who earned a lot from inflation in recent years. [passage omitted]

[Costa] Eduardo Costa of Radio Itatie. At this time millions of Brazilians cannot understand these complex measures because they are weak and hungry. The Collor government is proposing to tax agriculture while peasants are calling for incentives and guarantees, in sum, survival conditions. Will this tax on agriculture not create scarcity and increase food prices?

[Cardoso] No, the income tax on agricultural profits will be applied according to a specific formula. It will only affect that part of agricultural profits that are not reinvested in agricultural production. I want to add that we are concerned about those millions of hungry Brazilians. It is to help them that we have drawn up the stabilization program we are releasing today.

We believe that the stabilization program, because it is harsh and deep, will effectively combat inflation and eventually allow us to resume growth. This is the only way to generate employment and rent, and to end misery.

[Reporter] Minister, the Brazilian employer knows that he cannot increase salaries if he cannot pass the increase into the cost of his products. Will this measures not provoke a wave of strikes throughout the country, particularly given the free-labor-management negotiation system that the government has proposed?

[Cardoso] We do not believe this will happen. There will obviously be some difficulties in the negotiations, but we believe that Brazilian businessmen will understand that we are proposing a program of harsh reforms requiring a different attitude. We hope and believe that we will have the cooperation of Brazil's entrepreneurial and political class to ensure the success of the program. The problem of strikes is, after all, a part of our democratic system. [passage omitted]

Government Closes State Companies, Foundations

PY1603174490 Rio de Janeiro Rede Globo Television in Portuguese 1225 GMT 16 Mar 90

[Text] Copies of the Federal Government's OFFICIAL GAZETTE dated 15 March, which list administrative measures as part of the administrative reform

announced yesterday by President Collor, began to circulate this morning in Brasilia.

We already discussed these measures during this program, but we are now going to repeat the lists of self-supported state enterprises, foundations, and other public enterprises that have been closed down or eliminated.

Effective today, the following self-supported state enterprises have been closed: Superintendency for Developing the Center-West Region, Sudeco; Superintendency for Developing the Southern Region, Sudesul; National Department of Reclamation Projects, DNOS; the Sugar and Alcohol Institute, the powerful IAA; and the not less powerful Brazilian Coffee Institute, IBC.

The following foundations have been closed: National Arts Foundation, Funart; National Theater Foundation, Fundacen; the Brazilian Movie Foundation; the (Palmari) Cultural Foundation; the National Pro-Memorial Foundation; the Pro-Reading Foundation; the National Youth and Adult Education Foundation; and the Coffee Museum Foundation.

The following state-owned companies have been closed: The Brazilian Ports Enterprise, Portobras; the Brazilian Urban Transportation Company, EBTU; and the Brazilian Rural Extension and Technical Assistance Enterprise, Embrater.

The following mixed companies, which are also regarded as state companies, were closed: Brazilian Auxiliary Company of Brazilian Power Enterprises, (Acadeb); the National Cooperative Credit Bank, BNCC; Petrobras International Trade, Inc., Interbras; Petrobras Mining Inc., Petromisa; and the Brazilian Iron and Steel, Inc., Siderbras, which administers the government-owned iron and steel companies but which is not an iron and steel mill; the Brazilian Film Company, Embrafilme; the Brazilian Company for Industrial Projects, (Cobrapi); and the Brazilian Company for Cattle Raising Infrastructure, (Infaif).

The GAZETTE also includes the merger of the Brazilian Food Company, Cobal; of the Brazilian Warehousing Company, Cibrazem; and of the Brazilian Company for Financing Production. These three companies will be consolidated in a single enterprise, which will be called National Supply Company [Companhia Nacional de Abastecimento].

Public Service, Plane Fare Rate Hikes

PY1703025090 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 16 Mar 90

[Text] Today the government announced the readjustment of several public services rates. The objective of these readjusatments is to reduce the price imbalance of these services.

As of today, electricity became 32 percent more expensive. Mail rates increased by 83.5 percent. Telephone bills went up 32.1 percent. Private telephone lines will now cost 105,301 cruzeiros, while commercials lines will cost 210,602 cruzeiros. Airplane tickets increased by 50.7 percent.

Fuel Prices Raised 58 Percent

PY1703035490 Rio de Janeiro O GLOBO in Portuguese 16 Mar 90 p 1

[Text] Fuel prices have been increased by an average of 58 percent effective 16 March. In one of his first actions, Infrastructure Minister Oziris Silva yesterday signed resolution No. 41 readjusting by 57.69 percent the price of gasoline. In the states where the tax on fuel retail sales [IVVC—Imposto sobre Vendas a Varejo dos Combustiveis] is charged, the gasoline price is now 38 new cruzados per liter. The price of alcohol has been raised by 57.38 percent, and with the IVVC it is now sold at 28.60 new cruzados per liter. The diesel oil price is now 18 new cruzados, while the kerosene price (with the IVVC) is 21.70 new cruzados.

Poll Indicates Majority Support Collor

PY1803195190 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Mar 90 p 13

[Text] Brasilia—The day before decreeing a new economic shock, President Fernando Collor had the support of an absolute majority of Brazilians. According to a survey conducted by DataFOLHA between 3 and 7 March, 71 percent of those polled think he will make an "excellent or good" governor, 18 percent believe his performance will be "not bad," and barely 4 percent think his government will be "bad or very bad." Collor even changed the expectations of many people who voted for Workers Party [PT] presidential candidate Luis Inacio Lula da Silva in the runoff. In the survey, 50 percent of those who voted for Lula said they believed Collor will make a "good or excellent" governor.

The most optimistic people live in the north, center-west, and south, where 76 percent supported Collor.

The least optimistic live in the southeast, where only 69 percent think his administration will be "good or excellent." Collor obtained lower ratings in the capitals and urban centers (64 percent). In the interior 76 percent supported him.

The most significant figures, however, are from people who voted for the PT in the runoff. Besides the group of 50 percent who believe in Collor, another 30 percent believe his government will be "not bad" and only 10 percent think his government will be "bad or very bad."

According to the DataFOLHA survey, 24 percent of those polled think he will fulfill all his promises, while 53 percent think he will fulfill some of them. Another 15 percent does not think he will fulfill any of his promises. Among those who voted for Lula in the runoff, 8 percent trust that he will fully implement his promises, 50

percent think he will implement some, and 34 percent doubt he will fulfill any of them.

People believe that the entrepreneurial sector will exercise the strongest influence on Collor's administration (66 percent). Second in influence will be other countries' governments (60 percent), third will be the political parties (51 percent), fourth the labor unions (49 percent), and fifth the military (43 percent).

Collor, Argentina's Menem Sign Three Protocols

PY1603212890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1805 GMT 16 Mar 90

[Text] Brasilia, 16 Mar (NA)—Today, at the Planalto Palace (Government House), Argentine President Carlos Menem and Brazilian President Fernando Collor de Mello signed three protocols of understanding within the framework of the cooperation agreement signed in 1988.

Menem and Collor met at noon today for a half hour at the Brazilian Government Palace, and ratified "the Principles and Fundamental Importance of Cooperation and Integration Program" between the two countries.

Menem left the Naoum Hotel just after 1230 (local time) in the company of Foreign Minister Domingo Cavallo and Argentina Ambassador to Brasilia, Hector Subiza. This morning the Argentine president granted a news conference to foreign reporters at this hotel.

After the meeting with Collor, Menem stated that both Argentina and Brazil "are trying to overcome a very difficult economic situation." He admitted, however, that Brazil "is in a better position to overcome its difficulties than Argentina."

He said: "We have inherited a situation more difficult than that inherited by Collor. With all the respect that former President Alfonsin deserves, I must say that we are economically bankrupt."

Menem and his retinue then left the Planalto Palace directly for Itamaraty (Foreign Ministry) where the Brazilian president held a reception for all chiefs of state who went to Brasilia for Collor's inauguration ceremony.

The first of the protocols signed by Menem and Collor at the Planalto Palace ratifies the two countries' decision to "prepare new formulas that will be used to strengthen and to accelerate the integration process" that was signed in 1988 by Raul Alfonsin and his counterpart Jose Sarney.

Menem and Collor agreed to establish a commission to implement the treaty that will be made up of four ministers of each country.

The ministers of foreign affairs, economy, public works and services, and of education will participate for Argentina, while the ministers of foreign affairs, economy, infrastructure, and agriculture will participate for Brazil.

The other protocol, signed by the two presidents, concerns the supply of Argentine gas to Brazil, "laying the basis for implementing industrial poles in the northeastern provinces of Argentina and in the southern states of Brazil."

With this objective in mind they will instruct their respective administrations to give "top priority attention to the purchase of Argentine gas and thus conclude the technical negotiations within 60 days."

The third and last protocol refers to the construction of a bridge over the Uruguay River to link the cities of Santo Tome (Corrientes) with San Borja (Rio Grande do Sul State).

The two countries have agreed to call for bids within 60 days for the construction and exploitation under the public works concession policy.

The meeting with Collor and the reception given by Collor to all chiefs of state at Itamaraty Palace were Menem's last two activities here. He thus concluded a visit lasting more than 50 hours. He left for Buenos Aires aboard the presidential plane, Tango 01, a few minutes after 1600.

Castro Says Cuba Will Not Change Policies

PY1603225290 Asuncion ABC COLOR in Spanish 16 Mar 90 p 11

[Text] Brasilia— Cuban President Fidel Castro told reporters today that "The Soviet Union is a very different country." Castro said that he will defend the Cuban position and not allow the changes, that are going on in the USSR and in Eastern Europe, to affect it.

Castro, under heavy guard, participated in Brazilian President Collor de Mello's inaugural ceremonies today. He was wearing a military uniform. He arrived at the ceremony in Congress at 0900. Castro, surrounded by guards, later walked the 300 meters to the Planalto Palace. He was followed by journalists shouting questions all the way. Castro answered by inviting them to visit Cuba to see the reality of the country. "I will see you there," Castro repeated, while his guards were violent in their attempts at keeping reporters away. Meanwhile, the corpulent communist leader continued to lumber along, leaning on the shoulder of one of the members of his delegation.

In another encounter with the press, Castro could not avoid making some remarks. He said: "Cuba will not change its policies, because each country has its own history and its own experiences. None of our problems will be solved by other countries' prescriptions." Castro also denied that "Cuba presently has difficulties in its relations with the Soviet Union."

Castro said: "We were criticized before because we imitated the USSR and now we are criticized because we do not do things exactly as the Soviets do."

When reporters mentioned that there are groups in Cuba who want to express, but cannot, their dissidence in Cuba, Castro said: "Those are U.S. initiatives."

Asked if Cuba would remain isolated or try to integrate with the region, Castro said that he believes his country will return to the OAS.

Castro Wants To Expand Trade

PY1603231890 Brasilia Domestic Service in Portuguese 2200 GMT 16 Mar 90

[Text] Cuba will expand trade relations with Brazil. This year Cuba will purchase $100 million worth of Brazilian products. Fidel Castro made these statements following a 15-minute conversation with President Fernando Collor at the Planalto Palace.

Commander Fidel added that the changes that are taking place in East Europe will contribute towards a greater rapprochement between Cuba and Brazil, thus permitting increased trade between the two countries.

The Cuban president added that the meeting with Collor was brief but very pleasant. They talked about cooperation and the development of relations between the two countries. Castro said that the inflation rate and the negotiation of the Brazilian foreign debt are the greatest challenges facing President Collor. He said that the work before the Brazilian president is important and complex.

President Collor today also received the Portuguese President Mario Soares [title as heard], Cape Verde President Aristides Pereira, Angolan President Jose Eduardo dos Santos, and Supreme Soviet Deputy Chairman Ivanovich Senegur.

Speaks at Latin American Memorial

PY1703224090 Madrid EFE in Spanish 2131 GMT 17 Mar 90

[Text] Sao Paulo, 17 Mar (EFE)—Cuban President Fidel Castro said in Sao Paulo today that "Cuba is firm and will not be as easily subdued as the United States believes."

Castro, who delivered a 55-minute speech on the first anniversary of the Latin American Memorial in this capital, said in reference to the changes in the East Europe that "there is an authentic revolution, a revolutionary spirit in our country, and Cuba will not be easily subdued." [sentence as received]

"The Cuban revolution was not built like a house of cards, but built with steel," said Castro, who was accompanied by Nicaraguan President Daniel Ortega and Sao Paulo Governor Orestes Quercia.

Castro added: "The defeat of our country would do terrible damage to Latin America. We prefer to not exist than to be slaves again."

Castro visited all the installations of the Latin American Memorial, and he plans to meet today and tomorrow with businessmen, religious leaders, politicians, and leftist intellectuals.

A spokesman for the 400-member Cuban delegation said that Castro will leave for Rio de Janeiro tomorrow night, where he will make a similar visit. He will return to Havana on 19 March.

'Hard Times and Ordeals Await' Cuba

PY1803034690 Madrid EFE in Spanish 2226 GMT 17 Mar 90

[Text] Sao Paulo (Brazil), 17 Mar (EFE)—Cuban President Fidel Castro has admitted today in Sao Paulo that "hard times and ordeals await" the Cuban Revolution. He asserted: "We would rather cease to exist than to become slaves again."

In a meeting with 1,000 church officials at the Sao Paulo Convention Center, Castro said: "We are making an enormous effort to increase the revolution's capacity to resist, and face economic difficulties and the U.S. military threat."

The Cuban president had a tight agenda during the day because, besides meeting with the church officials, he visited the "Latin American Memorial"—where he delivered a speech and met with 500 businessmen.

Franciscan Friar Leonardo Boff, one of the main supporters of the theology of liberation, was among the religious leaders who met with Castro. Boff asked Castro to talk to the audience about the ties that bind Christianity and liberation.

"I am a guest here. I cannot act as an arsonist. I must say, however, that this hemisphere needs changes. It cannot continue the way it is," Castro said.

The Cuban leader explained to the religious that "the degree of exploitation is higher" now than it was when the European colonists came to America 500 years ago. "New discoverers have come to our continent now. They want to conquer us again. They want to exploit us again. We are the new Indians of this hemisphere."

He stated: "Our peoples have become net exploiters of capital to those who became rich through our sweat and our blood." [sentence as received]

"In 30 years, Cuba has solved problems that other Latin American countries have not solved in 200 years," he said, referring specifically to Cuban progress in education and health.

In his meeting with the businessmen, Fidel Castro commented on the facilities the Cuban Government intends to offer the Brazilian businessmen and industrialists.

"Make your proposals, because we are ready to listen to them," he said. He also suggested the creation of mixed enterprises between the Cuban Government and the

Brazilian (?industrialists). At the end of the meeting, the businessmen bid the leader farewell with a standing ovation.

Castro told the almost 1,000 people that had gathered at the Memorial auditorium: "Trust Cuba. Remember that from our trenches we are defending the interests of Latin America."

Referring to the recent changes in East Europe, Castro pointed out: "There is an authentic revolution, a revolutionary spirit in our country, and Cuba will not be easily subdued." [sentence as received]

The Cuban leader said the revolutionary movement led by him "is not built like a house of cards, but built with steel."

Referring to the United States, Castro said: "It will have to forget its hopes" that Cuba will follow the East European countries' example.

He criticized the changes in the European Communist countries and said that the economic difficulties have transformed some of those nations into "allies of the empire."

Castro pointed out that he is engaged in defending the Cuban Revolution at any price. "We prefer not to exist than to be slaves again, but we will not cease to exist. We will not only resist but win," he said.

He also referred to the critical international situation, to the violation of the international laws by the United States that, he said, "has ruined the Nicaraguan economy, invaded Panama, and tried to blockade the Colombian coast."

"Our country's defeat would damage Latin America and the Third World terribly," he stressed.

He criticized "the lack of unity among the Latin American countries while the Western European countries unite to defend their interests."

"I know," he said, "that we do not unite because for decades, for centuries, we lived in submission. The United States does not want us to unite."

He added: "I am not especially enthusiastic about the celebration of the 500th anniversary. Although [words indistinct] it does not become an apology of conquest and exploitation, because the two occurred together."

He criticized any such celebration that does not bring about a historical self-criticism of the events.

Tomorrow, Castro will meet with the defeated presidential candidate Luis Inacio "Lula" da Silva, of the Workers Party, and will leave for Rio de Janeiro on 19 March.

Comments on Eastern Europe

PY1803222790 Madrid EFE in Spanish 1747 GMT 18 Mar 90

[Text] Sao Paulo (Brazil), 18 Mar (EFE)—Cuban President Fidel Castro has said that East European countries "are quickly, hastily, and desperately marching toward capitalism." He warned that his country "will not fall" into this reformist wave.

During his two-day visit to Sao Paulo at the invitation of Governor Orestes Quercia, the Cuban president said: "There is an unquestionable reality: The collapse of socialism is taking place in the formerly socialist countries of Europe."

During his visit to this city of 16 million inhabitants, Castro met with Quercia, political and religious leaders, leftist intellectuals, and more than 500 businessmen who maintain trade relations with Cuba.

Castro noted the differences between the situations in the Soviet Union, the rest of the East European countries, and Cuba. "I can assure you that our people are not only prepared to resist (in defense of socialism), but they are also prepared to win," the Cuban leader said, stressing that "this trench (Cuba) will not fall; this trench will fight."

When the Soviet leaders began their political and economic reforms in 1985, they did not foresee "the collapse of the socialist camp," Castro said. "I do not believe that they expected this, nor that it was the idea, or the intention of the Soviet leaders," Castro added.

Castro later explained to more than 1,000 liberation theology religious leaders, including Leonardo Boff, that "we are now witnessing the construction of capitalism, in Poland for example, where planners include capitalist strategists." Castro said that Hungary, Czechoslovakia, Bulgaria, and even Poland are implementing a process of privatizing their economies. "It is possible that the GDR will disappear and be joined to the FRG, which is one of the most industrialized nations and a symbol of European capitalism," the Cuban leader asserted.

Castro was very critical of his former allies in Europe who recently supported a U.S. proposal to the UN Human Rights Commission for a delegation to visit Cuba and report on human rights in that country. Castro said that "even in politics the East European countries are going over to the imperialist field."

This decision is especially serious for Cuba at a time when the "United States believes that Havana is the only enemy," Castro added. "It no longer views the Soviet Union as an enemy. It views Cuba—a country that sticks in its gullet, is a thorn, is a bone choking the empire—as the enemy par excellence," Castro said. The Cuban leader said that in light of the events in East Europe, "more than ever the United States harasses Cuba,

threatens Cuba. It is even able to illegally impose a television channel, one that violates all international laws."

"By voting along with the United States in the UN Human Rights Commission, the East European countries are supplying "arguments and excuses to the empire, Castro asserted. [no closing quotation mark as received]

What is left, gentlemen, of the decency of a country that once was socialist and revolutionary? Castro asked. Why, gentlemen, is no one justifying siding with the devil?" he asked. [quotation marks as received]

Asked about a possible democratic process in Cuba, Castro responded that "our people not only have the votes, but they also have the weapons." He asked himself: "Can a nation that has weapons in its hands be slaves?"

Castro will conclude his visit to Sao Paulo tonight after meeting with former Workers Party presidential candidate Luiz Ignacio Lula da Silva and Sao Paulo intellectuals. Castro will travel to Rio de Janeiro tomorrow at the invitation of Rio de Janeiro Governor Wellington Moreira Franco.

Ortega Says Nicaraguan Revolution 'Strengthened'

PY1903033190 Madrid EFE in Spanish 0011 GMT 18 Mar 90

[Text] Sao Paulo (Brazil), 17 Mar (EFE)—Nicaraguan President Daniel Ortega today said that, despite the defeat in the 25 February elections, the Sandinist revolutionary model has been strengthened. Ortega said that "despite the electoral setback, the democratic model—championed by the revolution against a policy that has been trying to deny the identity of Nicaragua and of the Latin American countries—has been strengthened."

Speaking to an audience gathered at the Latin American Memorial, Ortega criticized the current U.S. policy toward Nicaragua and indicated that the North Americans are still supporting the "contras" despite the electoral victory of National Opposition Union (UNO) candidate Violeta Chamorro.

Ortega also criticized the United States for its continuing military occupation of Panama and its persistence in its threats against Cuba. He indicated that the United States "continues to follow the Big Stick policy."

The Nicaraguan president pointed out that his country still opposes the policy of the United States, "which is trying to deny Nicaragua the right to sovereignty, independence, and [word indistinct]." Ortega also pointed out that, despite the condemnation of the United States at the United Nations and the International Court of Justice at The Hague for its actions against Nicaragua, the United States has demonstrated "its contempt for international legal order."

Regarding the possible unity of Latin American countries, Ortega said that "advances in democracy are not enough unless they are accompanied by actual [words indistinct]." Ortega said: "Relations between the North and South must be democratized. The international legal order must be democratized because it has been designed to benefit the powers that have the right to veto and can exercise their rights by force."

"While the countries of the North keep their forces united, in Latin America, when we should be translating words into action, we do not remain united in our action," Ortega emphasized.

Chile

Aylwin Meets Castro, Bolivia's Paz in Brasilia

PY1603175590 Santiago Domestic Service in Spanish 1000 GMT 16 Mar 90

[Excerpt] President Patricio Aylwin has met informally in the city of Brasilia with Cuba's Fidel Castro and Bolivian President Jaime Paz Zamora.

The Chilean head of state reported that in his brief meeting with the Cuban leader, they did not discuss political issues.

Castro in turn commented that the resumption of diplomatic relations with Chile has yet to be clarified. [passage omitted]

Aylwin Back From Brazil Earlier Than Scheduled

PY1603175190 Santiago Domestic Service in Spanish 1000 GMT 16 Mar 90

[Excerpt] President Patricio Aylwin has attended the presidential inauguration ceremony in Brazil of the young Brazilian right-wing leader, Fernando Collor de Mello.

As previously reported, the Chilean president and his entourage, which includes Foreign Minister Silva Cimma, traveled to Brasilia aboard a special Chilean Air Force [FACh] airplane.

Aylwin planned to stay in the Brazilian capital until Saturday [17 March] but Foreign Minister Silva Cimma has now confirmed that Aylwin has chosen to return earlier.

The FACh Boeing will arrive at the Commodore Arturo Merino Benitez International Airport today at 1900 [Friday]. [passage omitted]

Political Prisoners Begin Hunger Strike

PY1603182190 Madrid EFE in Spanish 2137 GMT 15 Mar 90

[Text] Santiago de Chile, 15 Mar (EFE)—The Chilean Political Prisoners Coordinating Board has given President Patricio Aylwin three months to release all political

prisoners, and today 21 political prisoners began a hunger strike to demand their release.

Vasili Carrillo, a leader of the Manuel Rodriguez Patriotic Front terrorist organization and member of its coordinating board, has told the press that this organization has given the new democratic government "three months to release all political prisoners." The coordinating board also represents the political prisoners of the Movement of the Revolutionary Left [MIR] and of the Communist Party of Chile

Before leaving for Brasilia, where he attended Brazilian President Fernando Collor de Mello's inauguration, Aylwin signed a pardon decree for more than 40 political prisoners who were already sentenced. He also sent to congress a package of draft bills that will help to speed the trials of the other political prisoners by transferring their cases from military courts to civil courts.

The new Chilean authorities, however, have made a distinction between the political prisoners of "conscience" and those charged with crimes in which bloodshed was involved.

The prisoners, who today began the hunger strike, were charged with participating in the thwarted attack against General Augusto Pinochet in 1986, with attacking police precincts, and with killing Army officers.

Carrillo said that the distinction between "prisoners of conscience and those charged with violent attacks is unacceptable."

He added that "our conscience led us to struggle against the dictatorship, and for this we were imprisoned. If this alleged democratic government does not try to solve our situation we will resume the struggle."

Prisoner Jorge Martinez, who is the president of the coordinating board, said that if the 411 political prisoners are not released "we will resort to our previous measures and we will struggle until our demand is met."

Aylwin Comments on Prisoners, Salinas Visit

PY1703181090 Santiago Domestic Service in Spanish 1000 GMT 17 Mar 90

[Text] Political prisoners' situations will be solved in the same way as before. Any type of pressure, such as hunger strikes, will not help to solve the problem. President Aylwin made these remarks upon arriving from Brazil, where he attended the inauguration of the new Brazilian president.

[Begin Aylwin recording] I think it is a mistake. I understand that some people may be worried about this situation, but the problems will not be solved through hunger strikes or pressure. My administration's efforts to solve problems with justice are well known. I repeat: I will not accept any type of pressure. [end recording]

Concerning the Central Labor Union's demands that public servants wages be increased before 1 May, Aylwin said that the matter will be analyzed after meetings among employers, workers, and the appropriate official organizations.

Aylwin noted that he was fully satisfied with the diplomatic contacts he made with several foreign delegations in Brazil and these countries' willingness to continue or to resume relations with Chile.

Regarding the visit by Mexican President Carlos Salinas to Chile on 23 March, Aylwin said that the agenda will be released in due time. He added that the objective of the meeting will be to resume trade and diplomatic relations with Mexico.

[Begin Aylwin recording] The agenda will be released in due time, as there hasn't been time to arrange it. I think it is very important to resume bilateral relations. I therefore invited President Salinas to visit Chile, and he expressed his desire to make this visit. [end recording]

Foreign Minister Enrique Silva Cimma, who also arrived on the presidential plane, expressed his satisfaction with his trip to Brazil and his return to Chile.

PCCh Spokesman On Political Trials, FPMR

PY1603233390 Santiago Radio Chilena Network in Spanish 1600 GMT 16 Mar 90

[Report by Mauricio Vargas from the offices of the Central Committee of the Communist Party of Chile]

[Text] Jose Sanfuentes, spokesman for the PCCh [Communist Party of Chile], has pointed out that the PCCh disagrees with the original idea of the government of Patricio Aylwin on retrying political prisoners.

Jose Sanfuentes indicated that, in his opinion, the tortures and mistreatment that political prisoners have been experiencing all these years are enough punishment in the event that they still have not completed their sentences. Therefore, the PCCh does not support the idea of transferring their cases to courts of law as even the Chilean Human Rights Commission proposed.

Sanfuentes indicated that the PCCh fraternally greets all political prisoners and calls on the people, the government, and democratic congressmen to join efforts for the immediate release of these compatriots imprisoned by Pinochet.

Sanfuentes indicated that all the trials of political prisoners are legally defective. Therefore, they must be declared mistrials, he said.

This opinion is also shared by the most outstanding lawyers in this field, including lawyers of the Chilean Human Rights Commission itself, Sanfuentes said.

The Communist leader also pointed out that the laws under which the political prisoners were tried were

arbitrarily created by the deposed military regime in the absence of a state of law, outside any democratic lawfulness.

On another matter, Jose Sanfuentes pointed out that the Manuel Rodriguez Patriotic Front [FPMR] is not the responsibility of the PCCh.

Sanfuentes indicated that the PCCh only takes responsibility for the actions of the Communists and that the PCCh cannot be blamed for actions such as the one carried out at the National Soccer Stadium by some FPMR members. Andres Zaldivar, president of the Christian Democratic Party [PDC], described the perpetrators as mentally daranged, Sanfuentes noted.

Sanfuentes pointed out that remarks like those made yesterday by the PDC president do not contribute at all to the atmosphere that must be created in the country today.

Sanfuentes said that no one can blame the PCCh for actions that are not specifically carried out by PCCh militants.

MIR Demands Supreme Court Reorganization

PY1603230390 Santiago Radio Chilena Network in Spanish 2200 GMT 15 Mar 90

[Text] The Human Rights Commission of the Movement of the Revolutionary Left [MIR] has staged a demonstration inside the Supreme Court Building to demand the resignation of the justices who approved the definite acquittal of those involved in cases regarding arrestees who are missing.

On behalf of the demonstrators, Jose Villal Moya read a letter addressed to Supreme Court President Luis Maldonado. The letter expresses the need to reorganize the Supreme Court in order to establish the truth and mete out justice in cases of human rights violations.

The MIR letter calls for the restoration of dignity and justice through the democratization of the judicial branch and demands the resignation of the Supreme Court Justices Enrique Correa, Hernan Cereceda, Fernando Jordan, Juan Fagunde, German Valenzuela, and Sergio Mery Bravo for definitely acquitting those involved in cases of arrested missing people and thus jeopardizing the new government's actions.

Justice Ministry To Open Office on Exiles

PY1803200890 Santiago Domestic Service in Spanish 1600 GMT 17 Mar 90

[Text] Edgardo Riveros, under secretary of the General Secretariat of Government, has announced at La Moneda Palace that the Justice Ministry will open an office to deal exclusively with the problems of Chilean exiles. Riveros added that the ministers and under secretaries will hold a monthly meeting to standardize criteria.

[Begin Riveros recording] We will also closely study problems such as the reintegration of people who have had to live in exile. This is a matter that really concerns us. The government must give attention to certain issues that fall under its specific responsibility, matters related to welfare, health, housing, and employment, among many other problems.

We have established an office at the Justice Ministry, which will be headed by lawyer (Jaime Esconda), to coordinate efforts, prevent duplication of measures, and make government action in this area more effective.

I must also point out that, like the ministers, under secretaries are also making formal declarations of assets. [end recording]

Riveros concluded by saying that the government is analyzing the appointment of ministerial secretaries and other matters related to domestic government affairs.

Soviet Trawler Anchors in Valparaiso 15 Mar

PY1603185390 Santiago Domestic Service in Spanish 1000 GMT 16 Mar 90

[Text] The first Soviet ship to dock at a Chilean port under the new government arrived at Valparaiso on 15 March under a new commercial agreement between the Soviet Union and our country.

With a crew of 83, the trawler (Aleksandr Toster) is moored at Pier 10 replenishing its foodstuffs, fuel, and drinking water.

The trawler will remain in Valparaiso until 22 March. It is even possible that some repair work will be carried out on the Soviet ship.

Two additional Soviet trawlers are expected to arrive in Valparaiso at noon on 17 March. This will bring to five the total number of Soviet trawlers arriving in Chile during this period.

Fleet Director on Soviet Boats

PY1803023690 Santiago Domestic Service in Spanish 1600 GMT 17 Mar 90

[Report by Roberto Rodriguez from Valparaiso]

[Text] Vice Admiral Juan Carlos Toledo de la Masa, director general of the Maritime Territory and the Merchant Fleet, has said that the presence of Soviet factory-fishing boats within the 200-mile Chilean territorial limit is a serious threat to the Chilean fishing patrimony.

He said that the only explanation for the presence of the Soviet fleet, which consists of almost 400 [number as heard] factory-fishing boats, so soon after the resumption of diplomatic relations between Chile and the USSR is Soviet interest in the great number of fish in the area.

Toledo also said that until recently, the Soviet fishing fleet obtained fuel, staples, and drinking water from

Peru, where the crews also enjoyed their days off. The changes occurring in our country, however, allowed the Soviets to take advantage of the fact that our coast is closer to the fishing area, that the standard of living in our country is good—better than in Peru—and that there are no shortages here.

Asked about the arrival of these Soviet fishing boats, he said that we obviously cannot object to these visits for political reasons. Nonetheless, he said, we cannot forget that the USSR has been Chile's worst enemy for the last 16 years.

Toledo added that despite the commercial characteristics of the fleet's visit, naval patrols on our coasts will be intensified to prevent the Soviet boats, and the boats from other countries, from fishing when they approach our port.

Possibility of Santiago-Moscow Flights Seen

PY1603192590 Santiago Domestic Service in Spanish 1000 GMT 16 Mar 90

[Excerpt] LAN Chile [Chilean National Airline] president (Guillermo Keny) will depart for Moscow today to review the possibility of initiating once-a-week flights to the Soviet capital.

(Keny) said that LAN Chile expects to begin this new service as soon as possible once the appropriate approvals are granted in both Moscow and in the city where a stopover will be made. [passage omitted]

Colombia

U.S. Government Will Not Reply to Ship Protest

PA1603124390 Bogota Radio Cadena Nacional in Spanish 1210 GMT 16 Mar 90

[Text] Bogota—The U.S. Government will not answer the protest note sent by Colombia to the U.S. Embassy in Bogota as a result of the boarding of a Colombian cargo ship in an exclusive Colombian international economic zone.

The Colombian Government rejected the action reported by the captain of the cargo ship Taru, since it was considered a violation of international law. The Colombian Government stated that although the boarding did not take place in Colombian territorial waters, it did occurr in an area which is considered Colombian patrimony.

In the note sent to the U.S. Embassy by Colombian Deputy Foreign Minister Clemencia Forero, the Colombian Government demands that the United States explain its aforementioned action.

ELN Threatens To Prevent, Disrupt May Elections

PA1603213590 Madrid EFE in Spanish 1834 GMT 16 Mar 90

[Text] Bogota, 16 Feb [dateline as received] (EFE)—The Army of National Liberation (ELN), a Marxist guerrilla group that has refused to hold peace talks with the Colombian Government, has announced that it will attempt to prevent the presidential elections scheduled for 27 May.

In a communique deposited in EFE's mailbox in Bogota, the ELN announced that it will intensify its political and military activities throughout the country at all costs and prevent the elections from taking place.

The guerrilla group points out that not one of the candidates seeking the Presidency of Colombia deserve its support or respect.

As part of the so-called Operation for National Dignity, the ELN, which is headed by former Spanish priest Manuel Perez, will deepen the war against all state and imperialist interests.

As the ELN explains in the communique, the two most eligible candidates for the presidency, Cesar Gaviria, of the ruling Liberal Party, and Rodrigo Lloreda, of the Social Conservative party, are not catering to the country's needs.

The ELN rejects Lloreda and Gaviria because they represent continuismo [perpetuating a political dynasty through fraud or by altering the constitution], they contribute nothing to the country, and they will solve nothing, the ELN maintains.

The guerrilla group, which during the legislative and municipal elections on 11 March declared a unilateral truce running 10-12 March, only acknowledged the people's vote in favor of a national constituent assembly.

The organization, the ELN maintains, respects the people's will concerning a constituent assembly, and we the people will work with our own ideas to create a new constitution.

The communique maintains that the 70-percent abstention rate observed during the 11 March elections ratifies the illegitimacy of the regime, which is antidemocratic and has violated human rights by intensifying the dirty war and its policy of continuismo.

The ELN, through the communique sent to EFE, which was signed by the organization's National Directorate and datelined at the camps in Nueva Colombia, is the first subversive group, of the five still operating in Colombia, to declare war against the elections.

The communique also announced that for the people of the world and Latin American to know about the warlike situation in Colombia, they have invited Colombian and

foreign reporters to their camps in Colombia's mountains and these reporters will soon announce the ELN's plans.

Among the reporters, according to the communique, are correspondents from the U.S. newspaper THE WASHINGTON POST, London's THE INDEPENDENT, and Univision, the Spanish language television network.

The ELN has repeatedly said that it is waging a long-term war against the state, which it wants to completely change, and build a new society, a new country.

The group's ideology is Marxist-Leninist, it has waged an armed struggle for over 25 years, and its creation—according to its leaders—was inspired by the Cuban revolution.

Proposes To 'Humanize War'

PA1803045590 Madrid EFE in Spanish 2343 GMT 17 Mar 90

[Text] Bogota, 17 Mar (EFE)—The Marxist National Liberation Army today proposed the names of five Colombian personalities to form a commision to humanize the war. At the same time, the ELN threatened the oligarchy if the current situation persists.

In a communique sent to EFE in Bogota, the ELN proposed Liberal Party ex-President Alfonso Lopez, Social Conservative Party member Alvaro Leyva, Diego Montana, the current president of the leftist Patriotic Union [UP], ex-Foreign Minister Alfredo Vasquez, and Presbyter Gabriel Giraldo, for the commission.

The ELN, the only one of the five guerrilla organizations operating in Colombia that refused to initiate peace talks with the government of President Virgilio Barco, has again and again insisted on humanizing the war that, according to its leaders, is being fought in Colombia.

The communique warned, however, that if the current situation continues, the ELN will declare the Colombian oligarchy as a permanent military target and that the war will be taken directly to the homes of the oligarchs.

In another message, left in EFE's mailbox two days ago, the same organization, headed by Spanish ex-priest Manuel Perez, threatened to impede at all costs the upcoming presidential elections slated for 27 May.

In the same message, the ELN warned of an intensification of its actions against the interests of the state and imperialism because of the latter's intervention in the national sovereignty of the Latin American peoples.

The ELN also said it has rejected presidential candidates Rodrigo Lloreda of the Social Conservative Party and Cesr Gaviria of the Liberal Party because, the ELN said, they represent continuity.

Releases Kidnapped Deputy

PA1903000990 Madrid EFE in Spanish 1900 GMT 18 Mar

[Text] Bogota, 18 Mar (EFE)—The National Liberation Army, Colombia's most warlike guerrilla organization, today released a deputy, the last of 23 people, most of them politicians, who were kidnaped prior to the 11 March elections.

Luis Alberto Duarte Torres, Liberal Party deputy to the Santander departmental assembly, was released by the ELN near Capitanejo, approximately 400 km northwest from Bogota.

According to authorities, Duarte was the last person to be taken prisoner by the ELN a few weeks before the legislative and municipal elections of 11 March.

In the last two weeks of February and the first two of March, the ELN kidnapped several mayors, election officials, agronomists, and politicians, particularly in the country's northwest in an attempt to sabotage the elections.

The ELN, however, a few days before the elections, declared a unilateral election truce, effective 10-12 March.

The deputy released by the ELN was kidnapped near Garcia Rovira on 8 March. The ELN is the only one of five guerrilla organizations operating in Colombia that does not want to talk with the Barco government.

8 Policemen, Two Others Killed in FARC Ambush

PA1703225590 Paris AFP in Spanish 2152 GMT 17 Mar 90

[Text] Bogota, 17 Mar (AFP)—Authorities in Bogota have reported that eight policemen, one guerrilla, and one civilian were killed today in an ambush by rebels of the Revolutionary Armed Forces of Colombia [FARC] against a police patrol.

The attack occurred when the military vehicle was enroute from Puerto Inirida, capital of the Guainia Commissary in the country's southeast, to the local airport, where the policemen were to assume normal guard duties.

According to the official report, the FARC guerrillas detonated a dynamite charge in front of the vehicle and then "finished" the policemen with machine-gun fire and grenades thrown from both sides of the road.

Eight policemen and the driver were killed in the ambush. The patrol leader was badly wounded.

After the attack, the rebels, their total number was not reported, took the weapons belonging to the policemen and escaped into the mountains. One of the guerrillas was reportedly killed.

Troops of the 7th Infantry Brigade were dispatched to the site to pursue the guerrillas, who had discontinued their activity for the 11 March legislative elections.

Three Killed, 14 Captured by Army

PA1703031490 Madrid EFE in Spanish 2354 GMT 16 Mar 90

[Text] It was officially reported that at least three guerrillas of the Communist Revolutionary Armed Forces of Colombia (FARC) were killed and 14 others captured today during clashes with the Army in rural areas of southwestern Colombia.

A Defense Ministry source in Bogota told EFE that the Army's Third Brigade killed three guerrillas during a clash near Corinto, Cauca Department, 400 km south of Bogota.

The source said that two of the killed were identified by the aliases of Alonso and Maximiliano.

At the same time, Third Brigade troops captured 14 members of FARC's Sixth Front near Yotoco, Valle del Cauca Department.

The Defense Ministry reported that abundant war materiel and documents were seized from them.

The arrested, who have yet to be identified, were taken to Cali, capital of Valle del Cauca Department, where the Third Brigade is headquartered.

FARC, the oldest and largest guerrilla organization in Colombia, began its violent actions 40 years ago and has 42 fronts throughout the country.

Paraguay

Rodriguez Cites Quayle on Lifting of Sanctions

PY1803000490 Asuncion ABC COLOR in Spanish 17 Mar 90 p 9

[Text] Referring to his talks in Brasilia with the U.S. vice president, President Andres Rodriguez said during the flight back from Brazil: "He has told me that on 15 March he contacted his government concerning U.S. sanctions against Paraguay."

Rodriguez did not conceal his satisfaction over comments made by Quayle, who said that the U.S. Government is inclined toward suspending sanctions against Paraguay, which were imposed to protest a series of labor restrictions.

Referring to his meeting with Quayle in Brasilia, Rodriguez said, during an interview on the way back to Asuncion: "I have held talks with the U.S. Vice President Dan Quayle. He told me that on 15 March he contacted his government regarding our request for the suspension of the U.S. sanctions against Paraguay, within the framework of the Generalized System of Preferences."

"He asked me to send representatives to the United States to explain to the U.S. Congress, as soon as it resumes its activities, the current situation in our country," President Rodriguez said.

He added: "He told me that the solution is ready and that he is quite sure that the sanctions will be suspended in May."

During his visit to Asuncion at the beginning of the week, Quayle listened to the requests of the Paraguayan president, who, among other things, expressed his wish to see the U.S. Government suspend its sanctions against our country. As a result of the sanctions, Paraguay's exports to the United States have been seriously restricted. These sanctions, which close the U.S. market to Paraguayan-made products, were declared due to a lack of union freedom that existed under the previous regime.

Rodriguez yesterday expressed satisfaction with the quick manner in which Quayle's conveyed the Paraguayan request to his government.

He said he hopes the solution announced by Quayle will be implemented in May.

Quayle attended, together with several other foreign officials, Fernando Collor de Mello's inauguration in Brasilia.

Nicaragua's Ortega on Internal Matters, Contras

PY1603131290 Asuncion ULTIMA HORA in Spanish 15 Mar 90 pp 12, 13

[Text] Brasilia—"Never again will the Nicaraguan Army resort to its weapons to stage a military coup. You can be sure of this because of the nature of our Army.

"Nor will the Nicaraguan Army be allowed to point their weapons at the Nicaraguan people." That statement was made by Nicaraguan President Daniel Ortega, who, during a break in the ceremony during which credentials were presented at Planalto Palace, was able to greet Paraguayan President General Andres Rodriguez.

In briefly referring to the Republic of Nicaragua, Ortega said that the Sandinist National Liberation Front had toppled Somoza's dictatorship, and "since then we have been building the democratic system our country enjoys today. Popular power has consolidated the grounds for democracy in Nicaragua. We held elections in 1984 and this year, and we are giving another party the opportunity to govern the country."

Ortega also said that during one of his latest meetings with Nicaraguan President-elect Violeta Chamorro, he promised to cooperate by exercising constructive opposition during her administration.

In referring to Paraguay, Commander Ortega said: "My respectful greetings to the Paraguayan people, a courageous, combative people who well deserve democracy

and freedom. I am sure they will continue striving to broaden and strengthen democracy, that they will question democracy in order to enrichen it, and that they will strengthen it economically, socially, and politically."

When asked whether he had already grown accustomed to wearing street clothes, Ortega pointed out that while he struggled against Somoza's dictatorship, "I spent many years in street clothes. But there were periods, when I was in the mountains, that I wore fatigues.

"For some time after the victory of the revolution, I continued to wear fatigues. I started to wear street clothes during the electoral campaign because I thought it was time to give the Nicaraguan people a message of happiness, of peace. I have put my fatigues away, although the 'contras' are still around and the war continues." Ortega pointed out that the United States continues to grant logistic support to the "contras" so that they can continue their terrorist actions against Nicaragua. Commander Ortega added: "If the United States wants peace in that region of the continent, it must stop helping the 'contras' and order their complete demobilization."

Peru

Police Break Up Group Forging U.S. Visas

PY1703144390 Lima Television Peruana in Spanish 0000 GMT 17 Mar 90

[Text] The Technical Police have broken up a group that was forging U.S. visas. According to the results of an investigation, these people had been charging between $2,500 and $3,000 for the documents. It is believed that they would have made some $2 million if they had been able to sell all of the material that was seized.

After a quiet surveillance and intelligence operation, the police arrested 30-year-old Henry Luis Garcia Rodriguez at his house in the San Miguel neighborhood. After a severe interrogation Garcia Rodriguez confessed to crimes against the legal authority and forging visas with Luis Alberto Vargas Larrosa, who is still at large.

At Garcia Rodriguez' house the police found a large amount of material used in preparing the false visas, including stamps, seals, metal sheets, labels, and other items.

Terrorists Murder 19 Peasants, Destroy Village

PY1603180790 Madrid EFE in Spanish 2110 GMT 15 Mar 90

[Text] Lima, 15 Mar (EFE)—A column of alleged Shining Path terrorist members has devastated Pishupiaco village. They murdered 19 peasants, destroyed their homes with explosives, and slaughtered their animals.

Reports of the incident, which took place yesterday, were disclosed in Lima today by local newspapers.

Pishupiaco is a village of 180 inhabitants in Tayacaja Province, 50 km south of Huancayo which is the capital of Junin Department.

This area of central Peru is a "red zone" that is under a state of emergency because the Shining Path group is most active there.

According to survivors of the massacre, the terrorists also destroyed some of the peasants plantations. This group of peasants had chosen to settle in this area in an attempt to escape from the horror of the neighboring Ayacucho Department, where the Shining Path group began its campaign of violence 10 years ago.

The terrorists herded the frightened peasants together, after dragging them from their homes, and indiscriminately shot them. There were 10 children among the dead.

According to the survivors, the terrorists fired their weapons until they ran out of bullets and even then continued to pull the triggers. The terrorists then gagged 17 people and took them away.

The fierceness of the Shining Path's "war", and the no less fierce response in some cases of the peasants and their so-called "patrols" that oppose the subversives, remains clear by the fact that the bodies of 10 beheaded terrorists still remain in the Huancayo morgue.

Earlier this week it was reported that a "peasant patrol" group appeared before the Huancayo authorities carrying the heads of 10 alleged members of the Shining Path group who they had murdered because, the peasants said, they were tired of their abuses.

Nobody has claimed the beheaded bodies, probably out of fear of reprisals.

More than 18,000 people have died since political violence was unleashed in Peru, of which some 700 have died so far this year.